PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

2006 ANNUAL REPORT 2007

2008-02681/

TRANSMITTAL TO THE ATTORNEY GENERAL

September 26, 2007
The Honourable Wally Oppal
Attorney General
Parliament Buildings
Victoria, British Columbia
V8V 1X4

Dear Attorney General:

Pursuant to Section 25 of the *Public Guardian and Trustee Act*, I have the honour of presenting the Annual Report of the Public Guardian and Trustee of British Columbia.

This report covers the period April 1, 2006 to March 31, 2007.

Regards,

Jay Chalke, Q.C.
Public Guardian and Trustee

MESSAGE FROM THE PUBLIC GUARDIAN AND TRUSTEE

I am pleased to present the annual report of the Public Guardian and Trustee (PGT) for 2006/07. This report highlights our accomplishments in helping British Columbia to achieve its strategic goal of building the best system of support in Canada for persons with disabilities, those with special needs, children at risk and seniors.

We experienced major activity in all our program areas in the past year including both new initiatives as well as the culmination of special efforts to clear historic backlogs in areas that were impeding service improvements. We completed another step of a multi-year initiative to improve PGT information technology services. We met or exceeded 27 of our 28 performance targets.

The profile of our role in protecting children continues to grow, particularly our work on behalf of children in continuing care of the Province for whom the PGT is co-guardian. The Ministry of Children and Family Development has implemented an electronic link to ensure we receive copies of all reports of critical incidents involving these children and the provincial government has begun to provide funding to facilitate the PGT's legal response to these reports. These are both welcome developments for which the province is to be commended.

The overall profile of child protection work in British Columbia has also continued to grow with the appointment of the Child and Youth Representative, the Select Standing Committee on Children and Youth and the Children's Forum. I welcome these developments and look forward to working with the Representative and her staff, as well as other partners to improve services for children in continuing care.

Our Estate and Personal Trust Services reached a major milestone by achieving full cost recovery. This is a goal to which we have been working since Core Review in 2001 recommended that the PGT move toward a principled funding framework in which some services were fully cost recovered, others were partially funded and others were entirely publicly funded. Our commitment to high quality estate administration remains.

Our services to adults requiring assistance in decision making will be expanded as we prepare to implement newly passed legislation respecting admission to care facilities. Bill 29, which is the companion piece of legislation (*Adult Guardianship and Planning Statutes Amendment Act, 2007*), is the final major law reform element implementing modern adult guardianship in British Columbia. Bill 29 has been introduced to the Legislature and I look forward to its passage later this year.

Improving the coordination of response to abuse, neglect and self-neglect of vulnerable adults continued to be another major activity for us. Awareness of the dimensions of elder abuse is growing. A PGT staff member represented Canada speaking at the United Nations on World Elder Abuse Awareness Day. The report of the Premier's Council on Aging and Seniors' Issues, *Aging Well in British Columbia*, called for sustained funding for Community Response Networks and other organizations fighting elder abuse. The report also called for continuing law reform in the adult guardianship area.

All program areas continued work to improve service to our First Nations and Aboriginal clients, including liaising with Indian and Northern Affairs Canada and provincial Aboriginal Child Protection Authorities. We also played a leading role in facilitating access by eligible incapable adults to the Indian Residential Schools Settlement program and raising awareness regarding possible financial abuse of vulnerable payment recipients.

I am proud of the continued commitment and professionalism demonstrated by PGT staff in carrying out their current responsibilities as well as in preparing for the future. I also wish to thank members of our Investment Advisory Committee for their contributions which this year included providing guidance on a rebalancing of our investment portfolios.

We have accomplished much this year. But there is more to be done and we look forward to taking on these challenges. PGT staff and I are mindful of our clients' needs, both continuing and evolving. I dedicate this report to our clients with our continuing pledge to strive to achieve our vision of "Rights, choices and security for all British Columbians."

Jay Chalke, Q.C.
Public Guardian and Trustee

SIGNIFICANT ACCOMPLISHMENTS IN 2006/2007

- Achieved full cost recovery for administration of deceased estates and personal trusts.
- PGT efforts to achieve greater tenancy rights for residents of assisted living contributed to Bill 27, the *Tenancy Statutes Amendment Act, 2006* which was passed by the Legislature and is awaiting proclamation.
- Provided data and analysis supporting the results of the BC Child and Youth Review which resulted in increased funding for PGT services to children and youth in continuing care of the Province.
- Organized for response to increased critical incident reports involving children in care when PGT acts as Guardian of Estate.
- Participated in development of legislation to replace the outdated *Patients Property Act*.
- Responded to *Aging Well in BC*, the report of the Premier's Council on Aging and Seniors' Issues.
- $17,000 in bursaries awarded to provide educational assistance to young adults who were formerly in continuing care of the Province.
- Represented the interests of clients in numerous class actions, including those in which compensation was sought for historic abuse, e.g., Indian Residential School class action and the Woodlands School class action.
- Liaised with Indian and Northern Affairs Canada (INAC) to facilitate improved service delivery to Aboriginal clients.
- Facilitated activities designed to improve responses by Health Authorities, CLBC, police, financial institutions and First Nations to abuse, neglect and self-neglect of incapable persons.
- PGT staff member represented Canada at the United Nations to mark World Elder Abuse Awareness Day, on June 15, 2006.
- PGT relations with the BC Federation of Youth in Care Networks strengthened through a Child and Youth Services staff member working on secondment with the network.
- A new PGT case management system, CASE (Client Administrative System for Excellence) was implemented in 2006/07.
- Assisted over 460 adult clients to receive funds from the BC Institutional Legacy Trust Fund.
- Rebalanced the asset mix for the equity portion of the pooled Balanced Income Fund and Balanced Growth Fund.
- Sold over 100 real properties on behalf of clients.
- Participated in the review of succession law conducted by the BC Law Institute.
- $17.7 million distributed to heirs and beneficiaries of deceased estates.
- Upgraded security at the PGT warehouse and Vancouver office.
- Prepared for implementation of new national accounting standards.
- Excellent performance by PGT pooled investment funds.

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2006/2007

PERFORMANCE REPORT

ACCOUNTABILITY STATEMENT

The 2006/07 Annual Report was prepared under my direction. I am accountable for the results achieved, the selection of performance measures, and how actual performance has been reported. The information presented reflects the actual performance of the Public Guardian and Trustee for the twelve months ended March 31, 2007. The report addresses all significant events that occurred, and decisions made, up to August 24, 2007.

The information presented represents a comprehensive picture of our actual performance in relation to our Service Delivery Plan. This report contains estimates and significant interpretive information that represents the best judgement of management.

The measures presented are consistent with the organization's mission, goals and objectives, and focus on aspects critical to understanding our performance. I am responsible for the design and operation of internal controls to ensure performance information is measured accurately and in a timely manner. Any significant limitations in the reliability of specific data are identified in the report.

The report has been prepared in accordance with the *Public Guardian and Trustee Act* and British Columbia Performance Reporting Principles as consistent with the Act. As such, it is intended for a general audience. Specific users may require more detailed information than is contained in this report.

Jay Chalke, Q.C.
Public Guardian and Trustee
August 24, 2007

Report of the Auditor General of British Columbia

To the Public Guardian and Trustee of British Columbia,
To the Attorney General, Province of British Columbia, and
To the Members of the Legislative Assembly of British Columbia:

I have audited the "2006/2007 Performance Report of the Public Guardian and Trustee" (the Performance Report) (the PGT) to assess whether performance has been fairly presented in accordance with the BC Reporting Principles for the year ended March 31, 2007. The eight BC Reporting Principles outline the characteristics of good performance reporting, and were endorsed by the Legislative Assembly's Select Standing Committee on Public Accounts in 2003 for use by public sector organizations in British Columbia. The Performance Report, contained in the PGT's 2006/2007 Annual Report, is the responsibility of the PGT. My responsibility is to express an opinion on the Performance Report based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Accordingly, except as explained in the following paragraph, I planned and performed an audit to obtain reasonable assurance that the BC Reporting Principles have been incorporated in the Performance Report. My audit included examining, on a test basis, evidence supporting the amounts and disclosures in the Performance Report and assessing significant estimates underlying reported performance.

I have examined the entire Annual Report to assess whether information required by the BC Reporting Principles has been included, and whether this information fulfills the attributes of consistency, fairness, relevance, verifiability, understandability, and timeliness. However, with respect to the attribute of reliability, I have not audited the tables presented in Section E. Consequently, I do not express an opinion on the reliability of the information in these tables. This opinion also excludes the information presented in the PGT's financial statements for the operating account and estates and trusts administered, for which separate audit opinions are provided.

As called for by the BC Reporting Principles, the Performance Report contains a number of representations from the PGT concerning the appropriateness of the office's goals, objectives, targets, explanations of the adequacy of planned and actual performance, and expectations for the future. Such representations are the opinions of the PGT, and inherently cannot be subject to independent verification. Therefore, my examination was limited to ensuring the Performance Report contains those representations called for by the BC Reporting Principles and that they are consistent with the audited performance information and financial statements.

In my opinion, except for adjustments which might have been necessary had I performed a more extensive audit of reliability as referred to in the third paragraph above, this Performance Report fairly presents, in all significant respects, the performance of the PGT for the year ended March 31, 2007, in accordance with the BC Reporting Principles. The following appendix contains details supporting my conclusion for each of the BC Reporting Principles, and is an integral part of my opinion.

Victoria, British Columbia
August 24, 2007

Errol S. Price, CA
Acting Auditor General

Appendix to the Report of the Auditor General of British Columbia on the 2006/2007 Performance Report of the Public Guardian and Trustee of British Columbia

Principle 1 – Explain the Public Purpose Served

The report explains the PGT's public purpose, enabling legislation and mission. Core business areas, services, clients and stakeholders are described, as is the role of partners. The PGT's unique role and relation to the courts and the Crown are explained. The report describes organizational values, how they guide business and how they are embedded in the organization's operations.

Principle 2 – Link Goals and Results

The report provides clear linkages between the PGT's mission and mandate, goals, objectives, and operations and performance measures, providing a clear chain of events. The relevance and relation to long-term outcomes are explained for key performance measures. Variances between planned and actual results are identified and explained.

Principle 3 – Focus on the Few, Critical Aspects of Performance

The report identifies the significance and relevance of each performance measure, although it contains a large number of measures. The internal focus of a number of these measures is consistent with the PGT's interpretation of the requirements of the *Public Guardian and Trustee Act*. However, this presentation is inconsistent with a focus on the larger, overall picture as contemplated by this principle.

Principle 4 – Relate Results to Risk and Capacity

The report summarizes the key risks faced by the PGT, their potential impact, and the organization's strategies for dealing with them. Current capacity is described in relation to current results and to the PGT's ability to deliver organizational goals and objectives.

Principle 5 – Link Resources, Strategies and Results

The report identifies budgeted and actual financial results by program area, and explains key variances. Year-over-year comparative information is provided in the financial statements, and long-term financial trend information is provided. The report links financial and performance information in relation to certain program areas in a way that helps readers understand the efficiency and economy of operations.

Principle 6 – Provide Comparative Information

Actual performance is reported in relation to the Service Delivery Plan. Relevant economic, social and demographic information is provided for context. Current performance is graphically related to historic trends, although further discussion would enhance this presentation. In general, performance is presented consistently year-over-year. Changes in the way performance has been measured or presented have been explained.

Principle 7 – Present Credible Information, Fairly Interpreted

We are providing a high level of assurance that the data in the Performance Report is reliable, subject to the limitations described in the audit opinion. Controls to ensure the completeness and accuracy of performance have been implemented, although we do not provide assurance on the effectiveness of the control environment. Narratives are supplemented by useful graphics, and specialized terminology has been kept to a minimum. The report has been issued in accordance with statutory reporting deadlines.

Principle 8 – Disclose the Basis for Key Reporting Judgements

The report provides concise explanations of how most measures are derived including, where relevant, data sources and the period covered. The process for selecting targets, and how it is evolving, is described. Any changes to how performance is measured are described, enhancing the fairness of presentation. The PGT provides an accountability statement describing his confidence in the information.

OFFICE OF THE
Auditor General
of British Columbia

Public Guardian and Trustee of British Columbia
2006/2007 Performance Report

A. MANDATE, MISSION, VISION AND VALUES

1. Mandate

The Public Guardian and Trustee (PGT) is a corporation sole established under the *Public Guardian and Trustee Act*. The current Public Guardian and Trustee is Jay Chalke, Q.C., who was reappointed by the Lieutenant Governor in Council to a six-year term effective February 28, 2006.

The PGT mandate is to serve:

- Children and youth under the age of 19 by protecting their legal and financial interests;
- Adults who require assistance in decision-making through protection of their legal rights, financial interests and personal care interests; and
- Deceased persons where there is no one willing or able to administer their estates, the estates of missing persons, and the beneficiaries of personal trusts.

PGT provides services through 214 employee positions to approximately 26,200 clients and administers close to $711 million of trust assets. When managing the financial affairs of an individual, estate or trust, PGT observes prudent business practices and is bound by both common law and statutory fiduciary principles associated with a Trustee or Agent.

As a result of obligations created by statutory law, PGT exercises quasi-judicial authority in specific situations. In addition, PGT provides the Court with reliable and independent submissions when the property or financial interests of minors, adults with legal disabilities, or estates are at risk. PGT is independent of government in its case-related decision-making responsibilities.

2. Mission

The PGT mission is to safeguard and uphold the legal and financial interests of children; manage the legal, financial and personal care interests of adults needing assistance in decision-making; and administer the estates of deceased and missing persons.

3. Vision Statement

The PGT vision statement is: "Rights, choices and security for all British Columbians".

4. Values

Six major values underpin PGT work and are reflected in all aspects of its performance:

1) Client-centred service: Clients are at the centre of PGT services and PGT strives to ensure that services are individualized, equitable and accessible.
2) Respect: In managing the personal and health care decision-making of adults who are unable to make these decisions themselves, PGT honours the principles of self-determination and autonomy.
3) Innovation: Staff members are encouraged to be innovative in designing support services that are the least restrictive and intrusive as possible. Court processes are used as a last resort.

The powers and duties of PGT are directed by numerous acts. Key statutes include:

- *Adult Guardianship Act*
- *Child, Family and Community Service Act*
- *Community Care and Assisted Living Act*
- *Employment Standards Act*
- *Estate Administration Act*
- *Estates of Missing Persons Act*
- *Family Relations Act*
- *Health Care (Consent) and Care Facility (Admission) Act*
- *Infants Act*
- *Insurance Act*
- *Insurance (Motor Vehicle) Act*
- *Patients Property Act*
- *Power of Attorney Act*
- *Public Guardian and Trustee Act*
- *Representation Agreement Act*

4) Teamwork: PGT staff work in teamwork with one another and with their service partners in striving for seamless service delivery.

5) Openness: Annual public reporting on all aspects of PGT performance, as required by the *Public Guardian and Trustee Act*, ensures accountability to clients, government and the public.

6) Staff support: Staff members are acknowledged to be PGT's greatest resource. They are recognized and appreciated for their expertise and professionalism as well as their teamwork and consultation skills. PGT is committed to ongoing development and training of all its staff members.

A corporation sole is a corporate legal structure in which governance and operational responsibility are all vested in a single office holder and is used primarily in situations requiring clear accountability.

B. ACCOUNTABILITY FRAMEWORK

PGT is accountable to the government and Legislature, the public, and directly to PGT clients. Accountability is exercised by means of the government's review of PGT performance planning, annual public reporting on performance, annual performance audit, annual audited financial statements and through judicial oversight of PGT statutory and fiduciary obligations to individual clients.

1. Prospective Performance Planning

Section 22 of the *Public Guardian and Trustee Act* requires PGT to prepare an annual three-year Service Delivery Plan (SDP) and deliver it to the Attorney General not later than December 31st. If approved by the Attorney General, the plan must be submitted to the Province's Treasury Board for approval. The Act requires that the SDP must specify for each program area, for the fiscal year about to begin and for each of the following two fiscal years:

a) the objectives of the program area,

b) the nature and scope of activities to be undertaken,

c) the performance targets and other measures by which performance of the program area may be assessed,

d) a forecast of revenues to be collected,

e) an estimate of funding required to meet the objectives of the program area, and

f) an estimate of the amount of surplus or deficit and the cash balance remaining in the operating account for each fiscal year.

There is no statutory requirement for the Service Delivery Plan to be published, but as a matter of practice, PGT makes its Service Delivery Plans available on its website.

2. Retrospective Performance Reporting

Section 25 of the *Public Guardian and Trustee Act* requires PGT to report to the Attorney General in each fiscal year on operations of the office for the preceding fiscal year. This annual report must be provided to the Attorney General by September 30th and thereafter tabled in the Legislative Assembly. It must contain:

a) Audited financial statements on the stewardship of estates and trusts under administration,

b) Audited financial statements on the operations of the Public Guardian and Trustee,

c) A statement of the extent to which the Public Guardian and Trustee has met the performance targets and other objectives established in the Service Delivery Plan under section 22, and

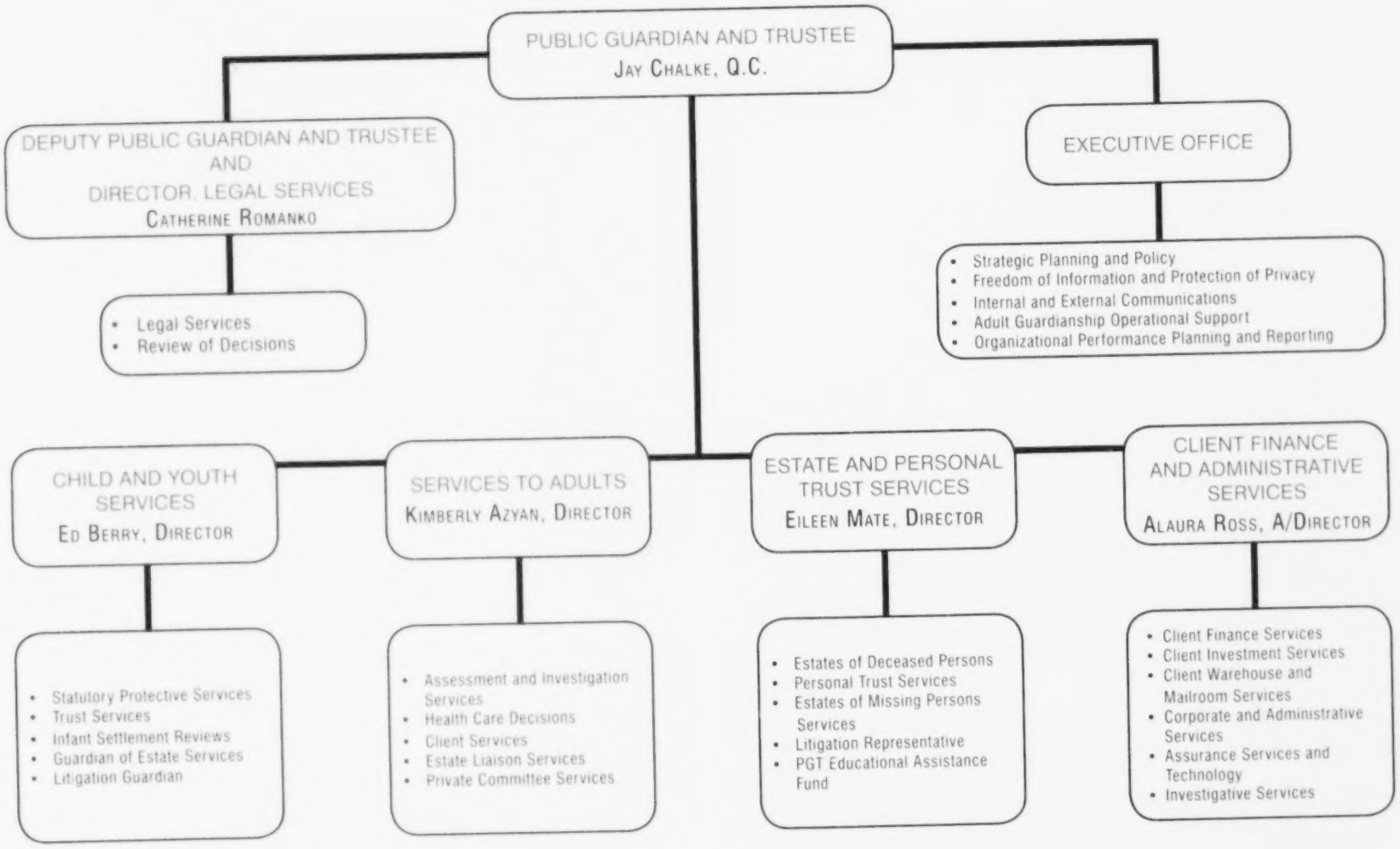
d) A report from the Auditor General or an independent auditor on the statement referred to in paragraph (c).

Section 26 of the *Public Guardian and Trustee Act* requires annual independent audits of both the two PGT financial statements and the PGT performance report on its Service Delivery Plan. The Act specifies that the SDP must include both "performance targets" and "other measures" by which performance of "each program area" may be assessed. This requirement for comprehensive performance planning is in contrast to trends in public performance reporting which direct organizations to focus on their "few, critical, aspects of performance". The reference to "other measures" also broadens the nature of PGT performance reporting from that associated with traditional performance measures.

3. Judicial Oversight

All PGT services are mandated by statute and PGT is accountable to clients and ultimately to the court for actions taken on behalf of clients. Many PGT functions are fiduciary in nature and judicial oversight mechanisms are highly developed.

ORGANIZATIONAL CHART



C. PROGRAM AREAS

PGT provides services to clients through three broad operational program areas: Child and Youth Services; Services to Adults; and Estate and Personal Trust Services. These programs are in turn supported by Client Finance and Administrative Services and Legal Services. The Executive Office provides overall direction, coordination and planning, policy and communications support.

1. Child and Youth Services

PGT acts to protect the legal and property interests of minors under the authority of a variety of provincial statutes. In carrying this out, Child and Youth Services (CYS) works on behalf of and directly with children and youth as well as with their parents or guardians.

Some statutes direct PGT to carry out a protective review function to ensure that a minor's property interests are secured whereas other statutes authorize the PGT to act directly on behalf of a minor in the role of Guardian of Estate, Litigation Guardian or Trustee.

a. Protective Review Function

PGT protects the legal interests of minors by reviewing all proposed settlements of claims brought on behalf of minors for damages for personal injury or the wrongful death of a parent or guardian to ensure that the settlements are fair and in the minor's best interests. In 2006/07, CYS lawyers reviewed 898 settlements of minors' claims.

PGT also reviews notices of applications to administer an estate of a deceased person, to vary a trust, or to vary a will, whenever a minor is a beneficiary or may be entitled to a share in the estate or trust to ensure the property interests of minors are protected. Where PGT has reason to believe that a minor's interest in a trust is at risk, PGT will investigate the circumstances surrounding the trust on behalf of the minor. In 2006/07, PGT reviewed 1,195 notices.

b. Direct Representation

PGT is authorized under several statutes to directly represent the interests of a minor by acting as a Guardian of Estate, Litigation Guardian or Trustee of a minor's funds. Trust monies received by PGT on behalf of children include personal injury settlement proceeds, life insurance proceeds where a minor is the beneficiary and no trustee is named to administer the funds, a share of an estate where no trustee is named and also include a portion of wages earned by child entertainers. Funds are typically held in trust until the child turns 19 (the age of majority in BC) unless disbursed earlier for benefit of the child.

PGT is Guardian of Estate and has the duty to protect the legal and property interests of minors who are in continuing care of the Province, undergoing adoption or who have no legal guardian. At March 31, 2007, PGT was Guardian of Estate for 5,697 children and youth, almost all of whom were in continuing care. At the same time, PGT acted as Litigation Guardian, advancing legal claims for 116 minors and served as Trustee of approximately 11,900 minor's trusts, administering close to $195 million in assets for the benefit of minors.

Child and Youth Services

Total Staff: 29

Total Clients: 17,586
- Guardianship – 5,697
- Trust – 11,889

Financial indicators:
- Revenue (Actual) – $3,346,305
- Expenses (Actual) - $5,532,680

Total value of assets under administration: $194,740,000
- Investments and securities – $188,321,000
- Real property – $6,271,000
- Other – $148,000

Priorities in 2006/2007

In 2006/07, CYS focused on the following:

- Implemented response to new automated delivery by the Ministry of Children and Family Development (MCFD) of Critical Incident Reports involving children in continuing care.
- Trained more than 300 MCFD social workers regarding the PGT role, particularly with respect to children in care.
- Participated in 25 youth-focused events.
- Provided support to youth in care at the World Forum on Child Welfare which was attended by child welfare officials and 125 youth from across Canada and the world.
- Director was awarded "Walking the Walk" Award from the BC Federation of Youth in Care Networks for support that PGT has shown for the Federation.

- Presented at Canadian Bar Association Section meetings, Trial Lawyers Association of BC and Continuing Legal Education sessions about issues related to PGT authority and children's rights and the law.
- Participated in the Ministry of Attorney General review of the *Family Relations Act*.
- Managed house building/renovation projects for trust clients totaling $475,000.
- Restructured 14,000 trust files by type of authority to provide improved client information in the new case management system.

2. Services to Adults

PGT protects the legal rights and personal and financial interests of adults who are unable to manage their affairs independently. The majority of adult clients rely on PGT for legal and financial management or oversight. PGT also exercises personal care decision-making for many of these clients, including health care or a dual financial and personal care responsibility. Services to Adults (STA) acts for adult clients when other appropriate substitute decision-makers are not available and strives to balance client independence and right of self-determination with the need for protection.

Most adult clients have diseases of aging that have impaired their mental capability while others have mental illnesses, developmental disabilities or brain injuries. Clients live throughout the province, with the highest concentration in the Lower Mainland, Fraser Valley, Vancouver Island and the Okanagan. Most adult services are regionalized.

While the case load has remained relatively constant in recent years, it has become more demanding as its nature has changed. Adult clients are increasingly coming to PGT for short periods late in life. Many clients may have complex assets or debts to manage. Staff also increasingly face issues associated with client assets held in other jurisdictions and mobility of clients in and out of BC.

a. Assessment and Investigation

The first contact most adult clients have with PGT involves staff responding to reports from concerned friends, relatives or professionals by assessing whether PGT services are required, investigating reports of financial abuse of adults who may be incapable and consulting with community and family members on possible abuse and neglect issues. These involved 882 initial investigations in 2006/07, a 9% increase over 2005/06. Approximately 56% of these resulted in PGT assuming authority for these persons.

b. Health Care Decisions

Under the *Health Care (Consent) and Care Facility (Admission) Act*, health care professionals must obtain informed consent before treating a patient and generally a substitute decision-maker is needed if the patient is incapable. In the absence of an already existing substitute decision-maker such as a Committee of Person or Representative under a Representation Agreement, the Act allows certain family members to make decisions. When these are not available, PGT is called upon to appoint another suitable decision-maker or to make substitute treatment decisions itself.

In 2006/07, STA provided approximately 660 health care decision services, including major and minor health care decisions, authorizing temporary substitute decision-makers, approving plans of care and providing brief consultations.

Services to Adults

Total Staff: 94

Total Clients: 7,055

- Assessment and Investigation – 882 (throughout the year)
- Client Services – 3,029 (as at March 31, 2007)
- Health Care Decisions - 660 (throughout the year)
- Estate Liaison – 473 (as at March 31, 2007)
- Private Committee Services – 2,035 (as at March 31, 2007)

Financial indicators:

- Revenue (Actual) – $8,190,030
- Expenses (Actual) – $11,559,331

Total value of assets under administration: $372,163,000

- Investments and securities - $274,175,000
- Real property – $94,011,000
- Other – $3,977,000

c. Client Services

STA provides a range of financial and personal care management services for approximately 3,000 adults in vulnerable situations under a number of different roles including Committee of Estate, Committee of Person, Power of Attorney, Representative, Litigation Guardian and Pension Trustee. When appointed

Committee of Estate, STA works with the client to establish an effective plan that includes securing assets and pursuing income, benefits and compensation, paying bills, administering investments and managing property. As Committee of Person, PGT makes health and personal care decisions on behalf of individuals. In 2006/07, Client Services case managers served an average of 189 clients each.

d. Estate Liaison

Estate Liaison coordinates completion of STA involvement in a client's affairs and releases property under administration when service by STA is no longer required. Affairs of over 474 clients were transferred to Estate Liaison in 2006/07. Transfer occurs when PGT no longer has authority for a client because the individual has become capable of managing their own affairs, someone else has been appointed as Committee, or more frequently, because the client has passed away. Continuing efforts to improve the speed of Estate Liaison services have reduced the proportion of files that are over two years old from 25% (as at March 31, 2003) to 14% (as at March 31, 2007).

e. Private Committee Services

Private Committee Services (PCS) monitors the activities of Private Committees appointed by the court to manage the affairs of adults who are unable to make their own financial, legal and/or personal and health care decisions. Committee Review Officers conduct reviews of accounts kept by Private Committees and undertake investigations of their activities when concerns are reported to the PGT.

During 2006/07, PCS served 2,035 clients, an average of 452 clients per officer. PCS has required additional budget resources for each of the last several years to meet performance targets. A program evaluation was carried out in 2006/07 and may identify opportunities for further improvement.

PRIORITIES IN 2006/2007

In 2006/07, STA focused on the following:

- Developed an information-sharing protocol with the Registrar of Assisted Living.
- Worked with Indian and Northern Affairs Canada (INAC) in developing a protocol including Referral Transfer Guidelines and Information Sharing Guidelines.
- Led efforts to identify and support incapable adults who are eligible to participate in the Indian Residential Schools Settlement including developing an information-sharing protocol, data matching of PGT clients with federal student lists, identifying clients eligible for advance payment and other claims, and establishing regular review meetings between Indian Residential Schools Resolution Canada and the National Association of Public Guardians and Trustees.
- Completed data match for the BC Institutional Legacy Trust for almost 500 clients, proved eligibility and ensured funds were received for more than 460 clients.
- Worked with the Ministry of Employment and Income Assistance (MEIA) to improve communications on issues relating to joint clients.
- Consolidated regionalization by implementing further administrative decentralization to field offices in Victoria and Kelowna.
- Continued outreach to clients and stakeholders through community presentations, particularly financial crimes workshops with Community Response Networks, newsletters and client visits.
- Conducted a review of the process by which Certificates of Incapability are issued and worked with Health Authorities to ensure they were following guidelines and had identified directors with signing authorities.

3. Estate and Personal Trust Services

PGT provides estate administration and personal trust services through the Estate and Personal Trust Services division (EPTS).

a. Administration of Estates of Deceased Persons

As Official Administrator for British Columbia, PGT administers the estates of persons who have died with no one willing and able to administer their estates or where the heirs or their whereabouts are unknown. In March 2007, PGT had approximately 1,200 estates under administration.

PGT also administers estates where the heir is a client of another PGT division, such as Services to Adults, or is a child or youth for whom PGT is Guardian of Estate. In addition, PGT acts as Executor when appointed under a will. Where the estate is of minimal value and no next of kin can be found who are willing or able to undertake the arrangements, EPTS ensures that a referral is made to MEIA to provide for a respectful funeral.

Estate and Personal Trust Services

Total Staff: 28

Total Clients: 1,570

- Deceased estates – 1,195
- Personal trusts – 307
- Litigation Representative – 26
- PGT Educational Assistance Fund – 41
- Estates of Missing Persons – 1

Financial indicators:

- Revenue (Actual) – $3,367,202
- Expenses (Actual) – $3,036,717

Total value of assets under administration: $143,874,000

- Investments and securities – $128,997,000
- Real property – $13,389,000
- Other – $1,488,000

b. Personal Trusts

PGT is Trustee for over 300 personal trusts which have been created either by will, court order or inter vivos settlement. The trusts may be created to ensure the benefits going to a child or adult are protected, or alternatively may be created to provide benefits going forward in perpetuity for a charitable organization. Where options to appoint a family member or trust company are not appropriate, PGT may agree to act as Trustee. Most of the trusts are discretionary trusts in which both their income and capital funds are disbursed as directed by terms of the trust document.

c. Litigation Representative

PGT may agree to act as Litigation Representative for purposes of a specific legal action brought against an estate where there is no Executor, Administrator or other person to act. These cases are externally driven both in terms of the number of cases and the length of time required to resolve the legal issues associated with them. PGT is currently Litigation Representative in over 25 such cases and generally the role is limited to accepting service on behalf of estates without assets. PGT will take out letters of administration to administer the estate if the estate has assets and will deal with the litigation under that authority.

d. PGT Educational Assistance Fund

PGT provides bursaries to qualifying young adults who were formerly in the continuing care of the province. Funds available are dependent on rates of investment return. Applicants are assessed on their grades, financial needs, career goals and other considerations. In 2006/07, there were 41 applicants, with 22 students awarded grants ranging from $500 to $1,500 and totaling $17,000.

e. Estates of Missing Persons

PGT acts as Curator for persons who are missing as defined in the *Estates of Missing Persons Act*. The role of Curator is to manage the adult's property until they are located or until the funds are paid into court for safekeeping. These cases are rare and PGT is currently Curator for only one estate.

Priorities in 2006/2007

In 2006/07, EPTS focused on the following:

- Achieving full cost-recovery.
- Analyzing current business practices to ensure timely and effective estate administration.
- Opening 242 new administrations of deceased estates and 17 new personal trusts.
- Continuing reduction of historic backlog files.
- Filing 397 Private Grant applications and supplementary filings with the Supreme Court of BC.
- Updating policies for income tax and heirship.
- Educating the financial services sector and other stakeholders on PGT estate and personal trust services.

4. Client Finance and Administrative Services

Client Finance and Administrative Services (CFAS) provides both corporate and direct client services to the operating divisions. Corporate services include office administration, human resources coordination, budget planning, corporate and trust accounting, information technology services and operating the mailroom and warehouse facility. Client services are provided through activities such as paying client bills, internal audit, client disbursement pre-audit, providing investment expertise and advice used in preparing client investment plans and investigating and securing physical assets on behalf of clients.

a. Assurance Services and Technology

During 2006/07, PGT Assurance Services and Technology were very involved in facilitating implementation of CASE, the new PGT case management system. This included making related adjustments to COMET, which had previously been the sole major PGT operating system. The first stages of a datamart were implemented to facilitate sharing of client information between the two systems.

b. Client Finance

The division has ongoing responsibility for managing client assets and in 2006/07, processed $176 million in client receipts, paid $128 million of bills on behalf of clients and invested $591 million of client funds. It also submitted more than 2,500 income tax returns on behalf of child and adult clients.

The division undertook several operational activities to enhance efficiency. These included reducing time involved with calculating commissions on investments by an estimated 50%. Special projects included managing the financial component of a CYS project to restructure 14,000 client trust accounts by authority type. The division also prepared PGT to implement new national accounting standards in April 2007.

c. Investment Management Services

Investing client assets is a significant PGT activity. By statute, PGT is required to act as a prudent investor and it applies diligent processes when reviewing and assessing clients to determine their investment goals and objectives. Investment Management Services staff work with PGT Guardian and Trust Officers, Case Managers and Personal Trust Administrators to develop personalized investment plans to meet the identified client goals and objectives.

PGT has three pooled investment funds for clients – the Premium Money Market Fund, the Balanced Income Fund and the Balanced Growth Fund. Other investment alternatives are available and include brokerage services and discretionary managed accounts. The choice of funds is determined by client goals and objectives set out in investment plans which are monitored on a regular schedule based on the portfolio risk.

The *Premium Money Market Fund* is intended to preserve capital and provide liquidity for risk-averse clients. All client cash balances are invested in this fund.
(Fund size - $411 million)

The *Balanced Income Fund* is aimed at generating current income with some growth. It is used most frequently by adult clients with medium-term investment time horizons.
(Fund size - $25 million)

The *Balanced Growth Fund* is aimed at long-term capital growth. It is used most frequently by clients with longer investment time horizons such as young children.
(Fund size - $63 million)

The past year was positive in terms of investment returns for PGT client funds. For example, returns for PGT pooled funds and sample comparisons at March 31, 2007, are as follows:

PGT Pooled Funds	Comparisons
Premium Money Market Fund	
• 4.59% (1 year)	• 91-day GOC Canada Treasury Bill: 4.2% • 3-year GIC: 3.15% • Best chequing account interest: 0.05%
Balanced Income Fund	
• 8.96% (1 year); 10.20% (2 years annualized)	• Standard industry portfolio benchmarks: 8.67% (1 year); 9.91% (2 years annualized)
Balanced Growth Fund	
• 10.97% (1 year); 12.76% (2 years annualized)	• Standard industry portfolio benchmarks: 10.80% (1 year); 12.60% (2 years annualized)

**sources: Premium Money Market Fund – interest rate paid on PGT client account cash balances; GOC Treasury Bill – BCIMC March 31, 2007 quarterly report; GIC – Globe Investor Gold; chequing account – Globe Investor Gold; Balanced Income Fund and Balanced Growth Fund – RBC Global Services Benchmark Investment Analytics*

While all PGT client cash balances are invested professionally in the Premium Money Market Fund, 1,280 clients have received more in-depth financial planning and have had investment plans developed expressly for them. Clients with personalized investment plans have over $50,000 in total financial assets.

In 2006/07, PGT responded to a recommendation made by BCIMC, the investment manager for the three pooled funds, that it change the equity mix in two of the funds to further diversify equity investments. The PGT Investment Advisory Committee recommended that the proposed strategy be adopted and the portfolio was rebalanced at the end of March 2007.

d. Corporate Finance

In 2006/07, the unit supported costing requests associated with legislative proposals, submissions and public reviews, and responding to new third party program initiatives that would impact demand for PGT services.

5. Legal Services

Legal Services are delivered by a complement of 10 full time staff lawyers distributed among the three program areas, supplemented by outside counsel as required and by the Deputy Public Guardian and Trustee and Administrative Counsel.

The lawyers advise PGT in cases where PGT acts on behalf of clients in a representative capacity and carry out legal reviews on behalf of clients whose legal interests PGT has an obligation to protect. The latter activity includes review functions such as the PGT statutory obligation to review applications for Private Committee appointments and review of settlements of claims for unliquidated damages on behalf of minors. Administrative Counsel carries out a variety of duties to support PGT statutory obligations and oversees provision of legal services by outside counsel.

PRIORITIES IN 2006/2007

In 2006/07, Legal Services focused on the following:

- PGT reviewed proposed legislative reforms and provided comments to government as to how PGT clients might be impacted. PGT staff participated in government's consultation regarding the *Adult Guardianship and Planning Statutes Amendment Act, 2007*, and in government's review of the *Family Relations Act* with respect to guardianship of minors' estate issues. PGT also worked with the Ministry of Attorney General to develop amendments to the *Infants Act* to clarify the PGT role in reviewing settlements of minors' claims brought in Small Claims Court.
- PGT continued to represent the interests of clients in various class actions or in the settlement processes arising from such proceedings, including the Indian Residential Schools Settlement and the class action brought by and on behalf of the former residents of Woodlands School.
- PGT lawyers contributed to public legal education initiatives by guest lecturing at the University of Victoria and University of British Columbia law schools and speaking about the role of the PGT at Continuing Legal Education Society courses, Trial Lawyers Association of BC conferences and at Canadian Bar Association Wills and Trusts and Elder Law section meetings.
- PGT lawyers participated in the BC Law Institute review of succession law.

IMPROVING RESPONSES TO ADULT ABUSE AND NEGLECT IN 2006/07

World Elder Abuse Awareness Day

PGT supported this inaugural global public awareness opportunity in many ways, including co-chairing and hosting a session at the John K. Friesen Conference – "Aging, Ageism, Abuse – Awareness to Action"; involvement with "Gears in Motion", the conference of the Council of Senior Citizens Organizations; being honoured by having a PGT staff member asked to represent Canada at the United Nations in New York for this worldwide event; and supervising BCIT students who developed World Day materials including wording for a civic proclamation that was used in more than 30 BC communities to acknowledge the day locally.

Designated Agencies and Police Working Together

These sessions are designed to bring together key contacts in Health Authorities, Community Living BC and local police departments to meet one another, learn about the systems in which they each work and begin development of local inter-agency protocols to guide them in responding to adults who are being abused or neglected. PGT coordinated the planning and facilitation of three such sessions (Surrey attended by 100 participants and Terrace and Prince George, attended by 45 each).

BC Adult Abuse/Neglect Prevention Collaborative

PGT chairs this provincial community/government working group that works toward continuous improvement in BC's response to adult abuse, neglect and self-neglect. The Collaborative has secured funding from the Law Foundation of BC to research and propose solutions to a variety of systemic and legal issues impacting adults who are at risk of or are being abused or neglected, including immigration and sponsorship issues, access to justice issues and the various types of incapability assessments.

Dialogue 2 – Indian Residential School Settlements: Building Capacity to Address and Prevent Financial Abuse

PGT organized this provincial event that brought together community leaders from more than 20 First Nations reserve communities with key contacts in the five regional Health Authorities and other provincial and national resource people to identify strategies already being employed and those that communities would like to employ in addressing and preventing financial abuse. Information was shared about working cross-culturally, BC's Community Response Network model, the role of Health Authorities as Designated Agencies under Part 3 of the *Adult Guardianship Act* and the role of the PGT. More than 90 people attended with many more communities making requests of the PGT for additional local workshops.

- PGT lawyers participated in in-house training and Continuing Legal Education sessions on access to information and privacy rules and procedures and new cases in the areas of wills, estates, trust and personal injury law.

6. Executive Office

The Executive Office provides overall leadership, carries out non-delegated statutory duties, is responsible for access to information and protection of privacy, communications, policy development, Ombudsman inquiries, coordinating interjurisdictional relations and representing the office as a member of the National Association of Public Trustees and Guardians (NAPTG).

Its 5.5 staff members coordinate corporate planning activities including development of the Service Delivery Plan and performance report; overseeing development and distribution of operational policies and procedures; carrying out both internal and external communications functions; and planning and participating in public education and community development related to adult guardianship issues.

Compliance with access and privacy legislation is coordinated through the Executive Office. PGT received 24 requests for information in 2006/07 under the *Freedom of Information and Protection of Privacy Act*. The majority of PGT requests are complex, made by family members of PGT clients, and are primarily directed at personal information held by Services to Adults. PGT also responded to the Information and Privacy Commissioner in instances in which persons who had made requests were dissatisfied with the PGT response. This activity included responding to four reviews, two complaints and one inquiry.

7. Corporate Activities

Many PGT activities involve cross-divisional efforts with processes tailored to specific legal and program requirements. In addition, in 2006/07, a number of corporate priorities were agreed upon to strengthen infrastructure, enhance risk management and ensure consistency in key areas.

The primary corporate activity in 2007/08 was implementation of CASE (Client Administrative System for Excellence) which became operational on February 27, 2007. PGT went from purchase to initial implementation within one year.

All parts of PGT were involved in development and implementation which included business process reviews, data cleansing, development of manuals and extensive staff training.

PGT Summary Activities

Total Staff: 214

Total Clients: 26,229

Total Value of assets under administration: $710,777,000

- Investments and securities – $591,493,000
- Real property – $113,671,000
- Other – $5,613,000

Business indicators:

- Client funds invested – $591,000,000
- Client bills paid – $128,000,000
- Client receipts processed – $176,000,000

Other indicators:

- Trusts accounts administered – 16,494
- Real property sold –102 properties

D. CONTEXT FOR 2006/2007 PERFORMANCE RESULTS

1. Introduction

This 2006/07 Annual Report reports on PGT performance in Year 1 of the 2006-2009 Service Delivery Plan (SDP) which was approved by the Attorney General. While the 2006-2009 SDP was not formally approved by Treasury Board, the 2006/07 budget was funded as set out in the plan.

Goals, objectives and performance measures as presented in the SDP were implemented during 2006/07 and are reported upon in this document.

Development of the 2006/2009 SDP and results has been affected by a combination of external and internal factors.

2. Development of PGT Goals, Objectives and Performance Measures

PGT is a client-centred organization that improves the lives of its clients by providing protective and fiduciary services to them. Clients experience rights, choices and security through protection of their legal, financial and personal interests. PGT goals reflect specific areas in which PGT can act to improve quality of clients' lives.

There are six goals set out in the 2006-2009 SDP. They are:

1. Property and financial interests of PGT clients will be well managed.
2. Personal interests of PGT clients will be protected.
3. Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner.
4. PGT will contribute to public awareness, policy issues and law reform initiatives to promote the interest of its clients.
5. PGT will improve its ability to deliver effective and efficient services to clients.
6. PGT will maintain a work environment that attracts, develops and empowers staff to deliver quality service.

a. Goals

The development of PGT goals reflects an approach to planning and measuring performance that takes into account the outcomes that truly matter in fulfilling its mandate. For PGT, these are the well-being of its clients, prudent management of client affairs, efficiency of its operations and effectiveness of staff members.

Each of the six goals is related to one or more of these outcomes. Goals 1, 2 and 3 deal directly with work that PGT undertakes on behalf of clients. Goal 4 concerns both clients and organizational effectiveness. While Goal 5 is directed to internal operations and Goal 6 concerns PGT staff, both also impact clients.

As a fiduciary, most PGT work deals with property and financial management. As can be seen on the chart linking the goals and objectives and measures (pp. 30-31), Goal 1 has the greatest number of associated objectives and touches almost every area of the organization.

b. Objectives

Objectives identified in the SDP serve several functions. They interpret and make visible the meaning of the goals as they relate to specific aspects of PGT work, identify key areas of performance, and point to certain desired results in achieving the goals. The performance measures reflect PGT best efforts to identify aspects of its performance that are most directly related to fulfilling the stated goal while still capable of being measured. Selecting objectives and performance measures is also particularly challenging because in most instances, the PGT contribution to outcomes is contributory rather than causative.

c. Performance Measures

In selecting objectives, measures and targets, PGT acts in accordance with underlying assumptions that flow from its major values. Many PGT clients are among the most vulnerable members of our society and PGT contributes to their well-being through activities that are significant to clients, their family, friends, caregivers or heirs. Factors including accessibility, timeliness, empowerment and accuracy are important to client well-being. Other factors include the need for client, stakeholder and public confidence in PGT expertise.

Many targets are driven by external considerations such as legal requirements (e.g., fiduciary obligations), may be benchmarked against private sector standards (e.g., investment returns), may be driven by safety issues (e.g., investigations in high risk situations), or may reflect a balance between service demand and resources in an environment of significant self-funding.

Due to the planning and reporting cycle, targets reflect PGT assessment of appropriate attainable service levels based on its best judgment at the time they were established 18 months previous in the service planning cycle. Targets are also set with a view to determining the acceptable level of performance given resources and constraints in a given period. In addition, PGT must be able to prove its performance results to an audit standard.

Results are continually assessed to determine if measures should be continued, targets should be increased or resources could be reassigned to other service areas. PGT seeks to meet its performance targets. When targets are at risk, resources are reallocated to the program area if available.

The performance measures are set out in the chart on pages 30 and 31.

3. Role of PGT Mission, Vision and Values

The PGT Mission, Vision and Values are reflected in all aspects of its service delivery. They are expressed in the philosophic approach that PGT staff bring to their work, such as ensuring that clients participate in decision making about their lives to the greatest extent possible, and are supported in formal policies and structure.

Much of the PGT mandate is to serve clients who do not have family or friends able to assist them or where mandated by law. As a result, few PGT clients have come to PGT for service as a matter of choice. Many clients, particularly adult clients, are disadvantaged by mental illness, infirmity or separation from family or friends.

All incapable adults have experienced a loss of personal and/or financial autonomy. PGT must carefully balance its statutory responsibility to provide protection with its vision of rights and values of openness and respect for clients. Staff must make important decisions about how far they can go to respect wishes of these clients even when those wishes do not appear to be in the client's interests.

PGT activities have a cumulative and contributory impact on improving the quality of clients' lives according to the specific client group and nature of activity. Children and youth benefit when PGT acts to maximize their funds held in trust while still allowing appropriate

disbursements. Adults benefit when PGT makes sustainable arrangements that respect client wishes to the extent possible while also managing their financial affairs and acting to maximize resources available for their needs. Heirs and beneficiaries benefit when they receive funds and related assets after they have been located and properly identified.

Clients benefit from the PGT approach of providing maximum empowerment of clients. This is consistent with the values and approach identified in Goal three of the BC Great Goals for a Golden Decade, i.e., *Build the best system of support in Canada for persons with disabilities, special needs, children at risk and seniors.*

PGT contributes to efficiency of the social services, health, legal and justice systems by facilitating care and decision making, providing experienced objective reviews and taking protective measures on behalf of clients.

4. Societal Trends Affecting PGT Services and Mandate

A number of significant societal trends affect the work of PGT.

a. Changes in Population Demographics

This continues to be one of the most important societal factors affecting PGT with the impact felt in the aging population, increasing diversity of British Columbians and the strong growth rate among the Aboriginal youth population.

The population and number of seniors continues to increase as people live longer due to advances in public health, medical technology and nutrition. Increasing immigration and associated family reunification have added significant complexity to providing services in a multilingual, multi-ethnic environment. Aboriginal youth comprise a significant proportion of children in continuing care of the Province and thus PGT clients. Approximately 70% of adult clients are seniors for whom PGT provides a broad range of personal, legal and financial decision-making and the proportion is growing.

PGT has a large population of clients who are affected by diseases of aging with seniors, particularly those over age 85, as the fastest growing age group. The incidence of dementia and other diseases of aging increases significantly as the population ages. PGT services will be affected as a larger proportion of the population will need care and support for health care, personal and financial decision-making as well as estate and personal trust services. Encouraging pre-planning for incapacity and death is a component in an effective strategy of demand management for PGT services.

The social debate on application of medical technology, particularly that associated with end of life, has not kept pace with the technology. This lack of social consensus makes the PGT work more complex when acting as temporary substitute decision-maker.

The impact of the growth in the population of senior clients intersects most other trends affecting PGT, such as restructuring of the health and social services sections, a disjointed legislative framework, the need for consent, increased due process, growing awareness of elder abuse and increased immigration.

The general population is more mobile with the result that families are widely dispersed and local family supports, particularly for the elderly, may not be available. Immigration factors and population mobility within Canada can also make it difficult to locate family members and heirs and beneficiaries. The growth in the Aboriginal youth population will increase demand for child and youth services at least in the short and mid-term.

b. Enhanced Attention to Child Protection

There is heightened public attention to BC child protection services. The PGT is co-guardian with the Ministry of Children and Family Development (MCFD) for children in continuing care of the Province. In this capacity, as their Guardian of Estate, PGT receives reports from MCFD of incidents involving children in care. PGT must assess each report and investigate and take legal action where appropriate in support of the children.

This response must now be made in the context of key Supreme Court of Canada decisions on liability of government for incidents of abuse or assault of children in care while in the custody of foster parents. The Court held that government will not be vicariously liable for actions of foster parents where it was not itself negligent in placing the child or supervising the foster parents. Depending on the facts of each case, the timetable for taking legal action against a foster parent who has assaulted or abused a child in care may be accelerated by the fact that the foster parent has assets now that could satisfy a judgment but may not have assets in the future.

The number of incidents involving children in continuing care that are reported to the PGT has increased significantly following implementation in November 2006 of improved automated reporting procedures by MCFD. The PGT base budget is being increased by approximately $2 million in public funding over the next two years to allow it to respond effectively to the increased volume of reports to be reviewed.

Another PGT protective service for children in continuing care relates to transfer of their custody and guardianship under sections 54.1 and 54.2 of the *Child, Family and Community Services Act*. These sections provide for a streamlined manner of transfer of guardianship by the Provincial Court to a person "other than the child's parent", typically a foster parent or relative of the child.

MCFD is the only body that can bring these applications. However, they can only do so if PGT consents to the application. PGT carries out an investigation of the surrounding circumstances of each child before deciding whether to consent. PGT and MCFD continue to work on developing a protocol concerning these applications.

PGT also provides child protective services in a number of other roles and may initiate actions in appropriate circumstances. PGT reviews settlements of claims for damages brought by minors and acts as Trustee in reviewing and administering funds held in trust for children until they reach the age of majority. To protect the child's interest, PGT is also charged with ensuring that parents and other guardians protect children's legal and financial interests.

PGT's working relationships with other agencies providing related services began evolving considerably in 2006/07. These include MCFD, the Representative for Children & Youth, the Chief Coroner and Aboriginal Child Protection Authorities.

c. Services to Aboriginal British Columbians

PGT has initiated and is otherwise involved in several initiatives intended to facilitate improved service delivery for Aboriginal and First Nations clients.

These activities include negotiations with Indian and Northern Affairs Canada to provide seamless service delivery between off and on-reserve clients, liaising with delegated Aboriginal Child Protection Agencies regarding children for whom PGT shares guardianships, coordinating resources to respond to abuse of incapable adults and efforts to identify and support incapable adults who are eligible to participate in the Indian Residential Schools Settlement.

PGT activity to improve service delivery for Aboriginal and First Nations clients is constrained because PGT receives no public funding to facilitate Aboriginal services. Also, many Aboriginal and First Nations clients live in the Northern region of BC where PGT has not yet established a regional office.

d. An Evolving Legal Services Environment

PGT continues to be impacted by the growth in litigation in Canadian society. This impact is felt both in terms of its participation in various legal proceedings, particularly abuse-related litigation, and in an enhanced concern with risk management. In both cases, a significant commitment of resources by PGT is required to ensure that the legal interests of clients are protected.

The advent of class proceedings legislation has increased potential for common issue lawsuits to be brought on behalf of plaintiffs, including those under disability, and has raised expectations that PGT will determine which of its clients are class members. This applies whether or not PGT is acting for the plaintiffs directly, as in the Woodlands School class action. PGT faces a significant challenge in trying to determine which clients have an interest as potential class members because many clients have no family and few records of their lives prior to PGT involvement. For some, mental incapacity also limits their ability to assist PGT in this process.

PGT has experienced an increase in lawsuits relating to forms of injury suffered in institutionalized settings. As a result, PGT has been involved in various legal actions on behalf of clients who were resident in those institutions at the time the injury was alleged to have occured. This includes the Indian Residential Schools Settlement.

An emerging issue is the role to be played by PGT in protecting the rights to compensation for sexual or physical abuse of child and youth clients for whom PGT is Guardian of Estate. As a result of improved reporting by MCFD, PGT is reviewing and responding to a significantly increased number of reports of incidents involving children in continuing care. Key Supreme Court of Canada decisions have resulted in the need to accelerate the timetable for related legal actions in support of the children (see page 22).

Another area of growth in legal action on behalf of individual PGT clients relates to No Free Ride, a new initiative in which ICBC will take civil action against car thieves to recover related costs. As youth are responsible for many car thefts, PGT must ensure that legal protections for minor defendants in civil proceedings are provided to minors who are sued by ICBC. While the number of possible cases is unknown at this time, even small numbers of legal actions can have significant impact.

Increased due process and risk management requirements add pressure to PGT corporate legal services. PGT is also experiencing growing legal demands in accountability-related activity such as responding to proceedings involving the Information and Privacy Commissioner.

These new legal pressures impose additional costs that are incurred in carrying out the PGT fiduciary duty, but are related more closely to organizational capacity than to individual clients for specific cases.

e. Growing Recognition of Abuse and Neglect of Adults

There is growing appreciation of the incidence and impact of abuse, neglect and self-neglect of adults in vulnerable situations. Under Part 3 of the *Adult Guardianship Act*, PGT is responsible for facilitating development by public bodies and community agencies of response to abuse and neglect of vulnerable persons.

PGT is working with communities, First Nations and Aboriginal organizations, police agencies and the health, social services, financial and justice sectors to raise awareness of elder abuse and abuse of other vulnerable adults. A PGT staff member represented Canada at the United Nations when it marked World Elder Abuse Awareness Day.

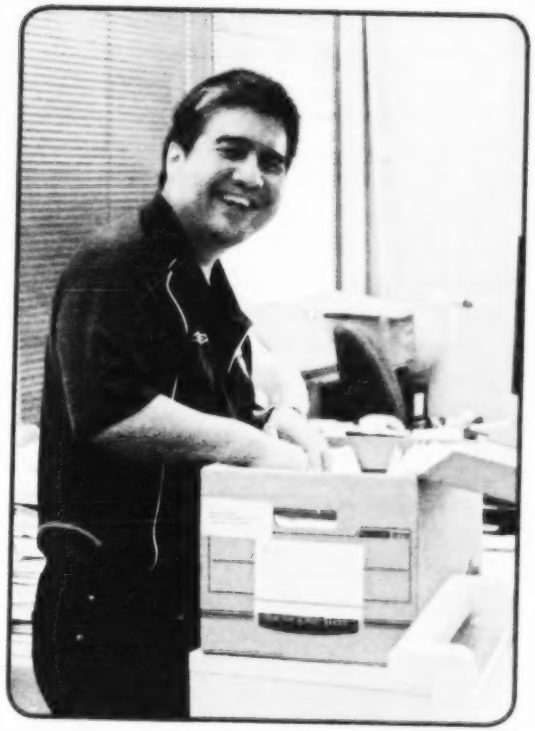
PGT facilitated development of Community Response Networks (currently 40 functioning networks) and their provincial coordinating body, BC Association of Community Response Networks (BCACRN). PGT also appoints Designated Agencies to respond directly to reports of abuse, neglect and self-neglect while PGT responds to possible financial abuse.

PGT is working with financial institutions and police agencies to increase awareness of the financial dimensions of abuse of vulnerable adults.

PGT is continuing to bring together First Nations communities and Aboriginal agencies with Designated Agencies and others involved with adult guardianship work to clarify responses and roles when abuse, neglect or self-neglect is reported or suspected on-reserve.

f. Need for Law Reform

The legislative framework governing PGT services for both adults and children is a mixture of old and new legislation with contradictory policy objectives and resultant significant gaps in coverage. This has developed over time as newer statutes have been enacted with provisions more consistent with modern approaches to substitute decision-making while older statutes embodying different philosophies remain in effect.



This situation results in considerable confusion among both the public and professional practitioners such as doctors and lawyers. It also negatively impacts clients as PGT may be unable to respond to their needs with as much flexibility as it wishes. Lack of some statutory provisions such as those governing admission to health care facilities results in an environment in which caregivers and families may be at risk for taking necessary protective actions without express legal authority. This particular issue will be addressed when recently passed legislation with respect to health care admission is proclaimed.

Draft legislation to modernize provisions relating to adult clients has been presented to the legislature for consideration. If passed, Bill 29 – *Adult Guardianship and Planning Statutes Amendment Act, 2007* will amend the following statutes: *Public Guardian and Trustee Act*, *Adult Guardianship Act*, *Health Care (Consent) and Care Facility (Admission) Act*, *Representation Agreement Act* and *Power of Attorney Act*. Together with the care facilities admission legislation, these amendments would substantially complete modernization of the statutory framework governing incapable adults.

g. Changes in the Financial Industry

The growth in electronic banking and investing has introduced new challenges for PGT staff responsible for identifying and protecting assets of clients. Identifying assets is difficult without a paper trail and the ability to prevent financial abuse is compromised by the speed with which assets can be electronically transferred. Both identifying and protecting assets increasingly requires specialized expertise and working with financial institutions in other jurisdictions within and outside of Canada.

The deregulation of the Canadian financial sector caused financial institutions to examine profitability of trust and estate services, and as a result, to concentrate on more wealthy clients. Most financial institutions have increased minimum capital thresholds and minimum fees. This is likely to result in more pressure on PGT to provide professional estate or trust services for people of modest means who cannot obtain the services elsewhere. These trusts are most frequently for the benefit of individuals in traditional PGT client groups.

5. Other Factors Affecting PGT in 2006/2007

During 2006/07, a number of broader government initiatives, legal and other developments directly affected PGT work and operational capacity.

a. Growing Importance of Partnerships

PGT currently liaises with both new agencies with statutory authority and with existing organizations such as provincial and federal ministries. This liaison focuses on resolving issues and planning as well as explaining the legal environment for children and incapable adults and PGT roles and responsibilities.

The number of agencies with statutory authority in areas affecting PGT clients continues to grow. Positive, well-informed relationships with these and other service partners are becoming both increasingly important and more complex and time-consuming to develop and maintain as the service-provider and regulatory communities continue to evolve.

A major example is Community Living BC (CLBC) which was created when MCFD transferred responsibility to it for services to developmentally disabled adults. CLBC clients are current or potential PGT clients and CLBC has also been appointed under the *Public Guardian and Trustee Act* as a Designated Agency with responsibility to investigate possible abuse, neglect or self-neglect.

All Health Authorities have also been appointed as Designated Agencies. In addition to their adult guardianship protective role, Health Authorities work with PGT in issuing Certificates of Incapability and responding to the need for Temporary Substitute Decision Makers for patients who are unable to give their own consent for treatment.

The development of Aboriginal Child Protection Authorities has significant implications for PGT services to children in continuing care. These include the need to develop and implement information-sharing agreements between PGT and each Authority.

PGT also works with the Registrar of Assisted Living, particularly with regard to tenancy issues for residents.

b. Public Education and Information

PGT delivers a broad range of complex statutory services spanning the legal, financial, health, justice and social services sectors. PGT's roles are generally not well known and are often misunderstood both among the general public and related professionals and service partners.

This lack of knowledge about PGT frequently makes its statutory intervention more difficult for families, friends and service providers of clients. It also presents challenges for service partners and other regulatory bodies in understanding related roles and responsibilities for PGT and for themselves.

PGT makes a large number of public presentations each year. However, it is unable to meet the demand for these activities.

PGT has a statutory duty to facilitate response by public bodies and community agencies to abuse and neglect of vulnerable persons. The report of the BC Child and Youth Review spoke of the need for education of new Aboriginal Child Protection Authorities and for PGT to work with other child serving agencies. *Aging Well in British Columbia*, the report of the Premier's Council on Aging and Seniors' Issues, spoke at length about the need for public education and information programs.

In addition, education and information about PGT and related issues are needed for outreach to ethno-cultural communities whose members are underrepresented among PGT clients. Public education and information regarding pre-planning activities, such as making wills and appointing representatives, is also a component of an effective strategy to assist in limiting growth in demand for PGT services.

c. Modernizing Information Systems

COMET, the PGT's primary information technology financial operating system, is a legacy system and is difficult and costly to operate and maintain. It also cannot provide adequate management information or effectively support operations.

PGT has been moving quickly to implement a modern case management system and has moved from purchase to initial implementation during 2006/07.

Modernizing case management and related business improvements represent a major commitment for the organization and its staff both with regard to cost and staff time devoted to implementation. Enhanced implementation of the case management system will continue in 2007/08 and 2008/09. This will be followed by renewal of the trust accounting system.

d. Revenue Issues and Fiscal Model

The evolving PGT service model that is arising from changes in PGT responsibilities and its client load has significant implications for its revenue and fiscal model. Service partners with joint PGT clients are also impacted by these pressures.

Client services fall into estate and trust or public services. Estate and trust services are those where benefit to the individual is considered to be greater than benefit to society and the level of cost recovery reflects this individual benefit. Public services are those where benefit to society is considered to outweigh benefit to the individual and the limited or nil cost recovery reflects the public nature of the service.

PGT self-funds a large percentage of its expenditure budget through fees and commissions charged on client income and assets. Increasingly, adults become PGT clients for shorter periods than previously and there is less opportunity to generate revenue to offset costs of the intensive activity required to establish a new client. Revenue associated with children's trust funds is being negatively impacted by the growth in structured legal settlements which lessens the size of the overall trust to be administered by PGT. In addition, revenue is impacted directly by market conditions, rates of return on investments and the real estate market.

The scope and volume of public services delivered by PGT, such as those for children in continuing care and low-income adult clients, has steadily increased over time with some of those services subsidized by unrelated PGT clients through fees and commissions. Implications of fees for low income, low asset clients have also raised concerns. PGT is receiving new public funding to respond to significantly higher levels of critical incident reports generated by MCFD involving children in continuing care.

In addition to client-specific budget considerations, PGT obligations associated with monitoring, oversight and education are increasing and are largely unfunded. Changes in litigation patterns such as the growth in class actions put significant pressure on costs of services.

Momentum has continued to grow in the long-term transition from the PGT acting primarily as a fiduciary to one that includes investigatory and regulatory roles. Workload associated with

regulatory activities may, for some individuals, never be associated with financial management of individual clients by PGT.

PGT operates in an environment of capped expenditure levels and limited capacity to influence or buffer the impact of increased demand for services. Demand is related to demographics, availability of alternatives to PGT services, court decisions and the range of services provided and decisions made by other organizations. While PGT has a special operating account, access to it is limited and it cannot act as a buffer to budgeted variances without impacting approved expenditure levels. PGT has responded to the continued impact of revenue uncertainty and its inflexible funding structure by undertaking a full review of its fiscal model.

6. Risk Management

PGT acts in a broad range of fiduciary, statutory and court ordered roles. Because of the associated legal and financial risks, almost all PGT operations are designed to incorporate risk management practices. Examples include investigative work in conjunction with case management, financial controls, separation of duties, approval processes and physical security such as use of a vault, safety deposit boxes and secure warehouse storage. PGT is also subject to three independent audits annually, i.e., financial operations, estates and trusts under administration and performance.

PGT has continued to improve its organizational capacity to manage ongoing risks to its service delivery goals and objectives through its range of risk management strategies which are regularly reviewed on an ongoing basis. In the past year, PGT implemented enhanced security at its warehouse and Vancouver office.

Outdated information technology has long been a key risk area for PGT. In 2006/07, PGT made major strides in addressing this vulnerability by initial implementation of a case management system. CASE (Client Administrative System for Excellence) was implemented on February 27, 2007, following an extensive validation and testing process to ensure that it works as intended and meets PGT operational needs.

An extensive cleanup project was undertaken of client demographic data held in the COMET trust accounting system before it was migrated to CASE. The data transferred was validated through further testing.

To ensure ongoing consistency and accuracy of data entry, a comprehensive CASE user manual was developed and extensive training was provided to all staff. Ongoing support is provided by power users and the help-desk.

In 2007/08, the focus will be on solidifying the foundation, including enhancements to existing functionality, business procedure documentation and training, as well as developing new reporting capacity.

During 2006/07, PGT effectively managed a number of both general and specific risks associated with achieving the goals, objectives, performance targets and other measures set out in the service delivery plan.

Prior to the publication of this report, PGT identified possible financial irregularities involving a single former temporary employee. PGT has reported this to police and has initiated an extensive internal investigation. Concerns of this nature strike at the core of the relationship between our organization and our clients, and are of grave concern to us. PGT is pursuing all available means to address this matter.

Specific Risks and Risk Mitigation Strategy

Limited resources and rising demand for PGT services could threaten current minimum service standards.

- Reasonable and sustainable minimum performance standards have been established and available in-year funds are applied as required to meet performance targets.

PGT is legally liable in the exercise of its statutory and fiduciary responsibilities. Risks include the potential to fail to identify and protect financial or legal interests of a client in a timely manner, mishandle client trust funds or inappropriately disclose personal information.

- These risks are mitigated by strategies that include timeliness standards for securing property and reviewing legal and financial claims to reduce the risk of loss related to negligent performance of duties, missed deadlines or limitation periods. Other elements include appropriate accounting and trust management controls to protect client funds against loss from mismanagement or negligence and policy and procedures to protect client personal information.

The interests of PGT clients are affected by a broad range of regulatory and statutory provisions and external policy changes could be made that potentially harm these interests.

- To avoid this, PGT consults about the impact of potential changes to legislation and programs. It also makes public information materials available to clients and related service providers so that they may take steps to protect their own interests.

PGT delivers a wide range of complex services in a rapidly changing environment to clients who are unable to represent themselves. Risks include staff being inadequately trained in new policies.

- These are mitigated by ensuring that staff receive a minimum number of training days annually, by surveying staff as to whether they consider they have the necessary training to do their work and by implementing a "key policies" strategy.

Legislation requires PGT to consult to the extent possible prior to making a substitute health care decision and there is risk that staff could fail to identify all relevant factors.

- Policies have been implemented to guide staff on when face-to-face consultation is needed. Timeliness standards for making decisions balance the risk of delay in treatment with time needed to gather information.

PGT is reliant on its information technology systems which are vulnerable to fire or earthquake damage to PGT offices.

- A disaster recovery program is in place providing daily back-up of electronic data to an off-site location and ability to deliver services from off-site.

7. 2006/2007 Performance Results

In 2006/07, PGT met or exceeded its target for 27 of 28 (or 96%) of its performance measures. Comments related to data and use of comparative information are discussed below. Specific performance details related to each measure are provided in the tables following. The summary Service Delivery Plan with goals, objectives, performance measures and targets appears on pages 30 and 31.

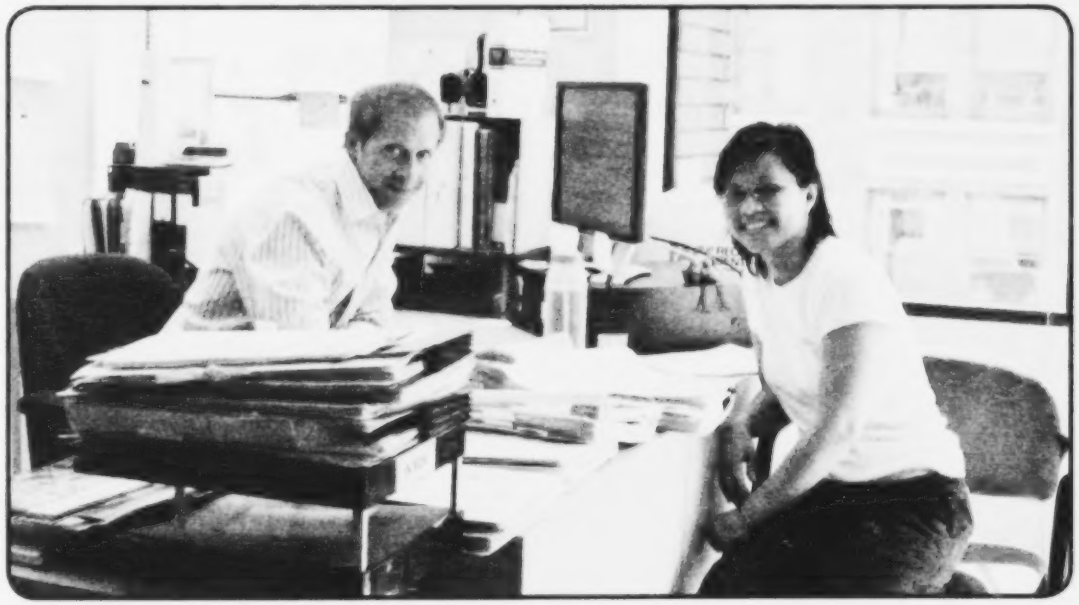
a. Source Data

Data for this performance report has been drawn primarily from internal information technology systems and other sources. Sources supporting specific performance results are identified in reports on individual measures. Financial statistics are derived from the audited financial statements.

During 2006/07, PGT maintained clear documentation of the process of collecting and reporting on data supporting its performance results which has contributed to ensuring consistency and reliability in reported results. A case management information system (CASE) implemented in February 2007 will reduce PGT challenges associated with manual data collection.

Divisional client counts reflect varying program workloads as measured either at March 31, 2007, or throughout the fiscal year. As in previous reports, the summary PGT client count is drawn from COMET, the PGT core financial operating system. Future reporting will be restructured to reflect the new CASE system. To maintain consistency pending this restructuring, the summary client count is at February 28, 2007, prior to implementation of CASE. This count would not vary significantly from a March 31 result.

PGT continues to review its performance on a quarterly basis both to manage performance and also to identify concerns with data collection and reliability. PGT uses spot checking, cross referencing data sources and checking new reports against prior versions for consistency and to test reliability of results.



In reporting on performance results, PGT usually rounds to the nearest full number.

In accordance with the *Public Guardian and Trustee Act*, the PGT annual performance report is subject to an independent audit to provide third party assurance on the reported results. Financial statements for the PGT operating account and estates and trusts administered are also subjected to annual independent audits to provide third party assurance.

b. Comparative Information

PGT is a unique organization without private sector comparators and with limited comparability to public bodies in BC and other jurisdictions. Because of its responsibilities, mix of services and unique legal status, its access to generally accepted service standards is limited. Public Guardian and Public Trustee agencies in other provinces and territories each have some responsibilities and services or elements of them in common with PGT, but none have the same mix or authorities.

While PGT has initiated discussions with other jurisdictions on developing a limited range of benchmarks for use at the national level, progress on establishing targets will be very gradual because of the significant differences between jurisdictions. Consistent data may eventually lead to agreement on establishing desired service levels. PGT will reassess its targets as inter-jurisdictional standards are established.

For 2006/07, PGT is able to make comparisons to its own past performance using information reported in Annual Reports. While some measures have changed or been newly introduced during this period, the available comparative data has become more substantial each year and has been used in several instances as a basis for changing measures and/or modifying performance targets.

While mindful of its statutory obligation to report on all program areas, PGT is continuing to reduce the number of performance measures. This 2006/07 report includes 28 measures, down from 33 in 2005/06. Targets were increased for eight measures. Particulars of changes are described in sections relating to the specific measures.

2006/2007 SERVICE DELIVERY PLAN

Mission

- Safeguarding and upholding the legal and financial interests of children
- Managing the legal and financial interests and promoting the personal care interests of adults needing assistance with decision-making
- Administering the estates of deceased and missing persons

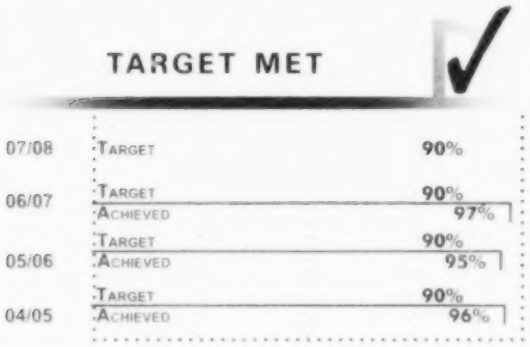
Goals	Objectives	Measures
1 Property and financial Interests of PGT clients will be well managed	(a) Disbursements from children's trusts will be made in a timely manner	1 Percentage of disbursements from children's trusts completed within 15 days of request by the guardian or client.
	(b) Legal, financial and property interests and assets of clients will be identified, secured and managed in a timely and prudent manner.	2 Percentage of child and youth guardianship clients where financial entitlements and legal claims are identified by PGT and acted upon within 60 days of being notified. 3 Percentage of personalized case plans, covering property, effects, legal issues and living arrangements that will be developed and implemented for new adult clients within 6 months of PGT appointment as Committee of Estate.
	(c) Assets of client estates will be identified, secured and administered in a timely manner.	4 Percentage of client trust receipts processed within 5 business days. 5 Percentage of client disbursements processed within 15 business days. 6 Physical assets of new deceased estates secured within 15 days of notification of death in 75% of estates, and within 25 days of notification of death in 90% of estates.
	(d) Estate distributions will be made to heirs and beneficiaries.	7 Percentage of Estate Liaison files where more than two years has elapsed following termination of active committeeship. 8 Percentage of deceased estate funds distributed to heirs and beneficiaries rather than transferred to the BC Unclaimed Property Society.
	(e) Client investments will be managed prudently.	9 Investment returns for all three pooled funds match or exceed established benchmarks. 10 Personalized investment plans developed and implemented for clients with financial assets over $50,000. 11 Investment plans subject to review according to the assessed level of risk associated with the client investment portfolio will be completed within the year.
2 Personal interests of PGT clients will be protected.	(a) The personal needs of children and youth clients will be protected. The personal interests and health care needs of adult clients will be addressed.	1 Personalized expenditure plans will be developed and implemented for children awarded in excess of $50,000 for cost of care within 6 months of the PGT receiving funds and then annually reviewed. 2 Personalized expenditure plans will be developed and implemented for children and youth with assets in excess of $50,000 where on-going assistance with day-to-day maintenance has been approved within 20 days of receiving all decision-making information and then annually reviewed. 3 Percentage of Committee of Person adult clients who are annually visited by PGT staff. 4 Percentage of major health care substitute decisions for adults made within three working days of all relevant information being received.

Goals	Objectives	Measures
3. Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner.	(a) Settlement reviews of legal claims of children and youth will be carried out in a timely manner.	1. Percentage of proposed settlements $5,000 and over that are reviewed and the parties advised of the PGT position within 60 days once all relevant information has been received. 2. For settlements under $5,000, the average number of days to review and advise of the PGT position regarding proposed settlements once all relevant information has been received. 3. Percentage of stakeholders reporting satisfaction with the PGT process for making recommendations on unliquidated damage claims.
	(b) PGT will act to protect the assets of adults at risk for abuse, neglect and self-neglect.	4. Percentage of cases where, on confirming that the assets of an apparently abused or neglected adult unable to seek support and assistance are at significant risk and in need of immediate protection, protective steps are taken under section 19 of the *Public Guardian and Trustee Act* within one working day. 5. Percentage of financial reviews of Private Committee high risk client situations initiated within 60 days of receipt. 6. Average age of Private Committee accounts that have been submitted for passing and are awaiting PGT decision.
4. PGT will contribute to public awareness, policy issues and law reform initiatives to promote the interests of clients.	(a) PGT will make relevant, useful and affordable recommendations to government for law reform affecting clients.	1. PGT will respond to recommendations from the Premier's Council on Aging and Seniors' Issues on priority areas of law reform affecting vulnerable seniors.
	(b) PGT will promote an understanding of its role among clients, stakeholders and the public.	2. PGT role explained by PGT representatives at stakeholder conferences/events and other public education forums.
5. The PGT will improve its ability to deliver effective and efficient services to clients.	(a) PGT will meet client expectations for quality, equitable and accessible services.	1. Percentage of heirs and beneficiaries responding to survey who rated administration services for deceased estates as good or very good. 2. Implement and meet service commitments for administration of deceased estates.
	(b) Mission critical information technology systems and processes will support PGT business activities.	3. Implement case management system in phases.
6. The PGT will maintain a work environment that attracts, develops, values and empowers staff to deliver quality service.	(a) PGT recognizes, rewards and values its employees and fosters an environment of continuous individual and organizational learning.	1. Average number of training days per year per FTE. 2. Percentage of staff and supervisors who believe that they have the necessary training to do their current work well.

9. Performance Details

Goal 1 Property and Financial Interests of PGT Clients Will be Well Managed.

1.1 Percentage of disbursements from children's trusts completed within 15 days of request by the guardian or client.



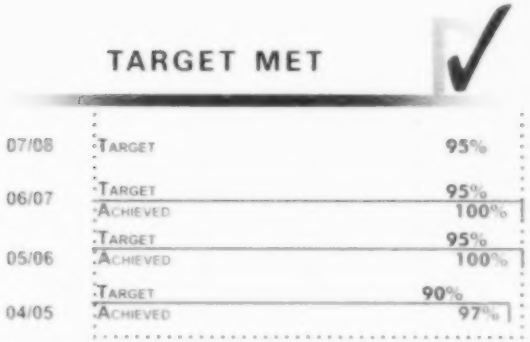
What does the measure mean – A major responsibility of PGT Child & Youth Services is administering trusts where a child or youth is the beneficiary. Guardian and Trust Officers (GTOs) consider client requests to spend some of their trust monies. Unlike a bank account, funds held in trust are subject to a number of spending restrictions designed to protect the client. GTOs must determine whether the request falls in or outside these restrictions while still providing a timely response.

Why is the measure important – This activity benefits children and youth by allowing appropriate disbursements while applying necessary constraints to maximize funds for their future.

What do the results mean – It is reasonable in most cases to expect a request to be decided within 15 days. In 2006/07, out of 3,359 decisions, 3,258 (97%) were completed and a cheque was issued within 15 days of the request by the guardians or client.

The data – Data is from COMET, the PGT core financial operating system.

1.2 Percentage of child and youth guardianship clients where financial entitlements and legal claims are identified by PGT and acted upon within 60 days of being notified.



What does the measure mean – PGT must identify any outstanding financial entitlements or legal claims of children for whom it is Guardian of Estate and bring appropriate legal action before limitation dates affecting claims expire. This includes claims for unliquidated damages such as personal injury arising from assault or motor vehicle accidents and for statutory benefits such as death of a parent.

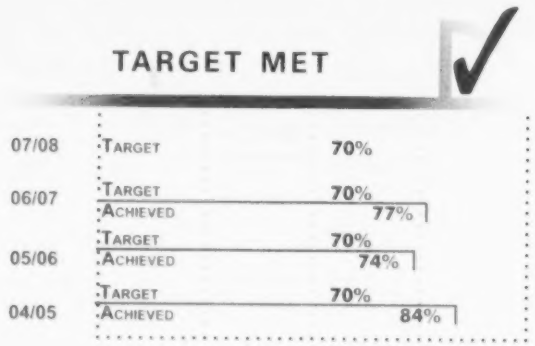
Why is the measure important – This activity improves the well being of children and youth by protecting their legal rights while also satisfying PGT legal obligations as fiduciary.

What do the results mean – In 2006/07, out of 7,066 files, 7,066 (100%) were acted upon within 60 days of all information received.

The data – Data is from COMET, the PGT core financial operating system and divisional spreadsheets. In the 2007–2010 SDP, this measure has been replaced by a measure that focuses on the PGT response to reports of critical incidents involving children in care for whom PGT is Guardian of Estate. While these cases are included in this current measure, their volume has grown significantly due to enhanced reporting by MCFD, and as of 2007/08 public funding has been provided to PGT for this work.

Goal 1 Property and Financial Interests of PGT Clients Will be Well Managed.

1.3 Percentage of personalized case plans, covering property, effects, legal issues and living arrangements that will be developed and implemented for new adult clients within 6 months of PGT appointment as Committee of Estate.



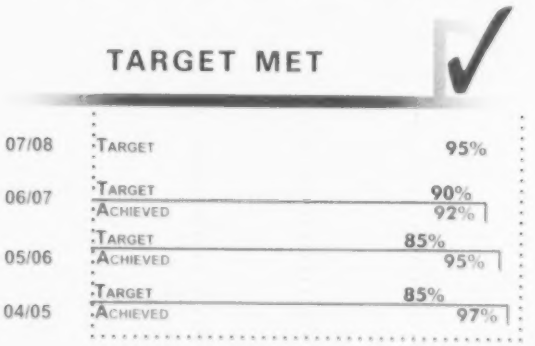
What does the measure mean – PGT becomes Committee of Estate (COE) for adults who are unable to manage their legal and financial affairs. Completion of a personalized case plan for a new COE client is evidence that PGT has taken the steps necessary to identify and secure the client's property and financial investments and provide for their ongoing protection. The time taken to develop and implement the plan will vary with the complexity of the client's property and financial investments.

Why is the measure important – This activity improves quality of life for incapable adults by developing plans to maximize resources available for their care and making arrangements that respect client wishes to the extent possible.

What do the results mean – For most new COE clients, six months is a reasonable expectation in which to complete the plan as it regularly takes several months to collect all relevant information about them. In 2006/07, 407 new clients under the *Patients Property Act* required these plans and PGT developed personalized case plans for 314 (77%) of them within the six month time-frame.

The data – Data is from COMET, the PGT core financial operating system, and divisional spreadsheets.

1.4 Percentage of client trust receipts processed within 5 business days.



What does the measure mean – Timely processing of client income and other receipts is an important activity in the efficient management of a client's financial affairs. By promptly depositing income and other funds into a client's trust account, flexibility in managing a client's affairs increases as does potential for the client to earn investment income.

Why is the measure important – This activity improves quality of life for incapable adults by maximizing resources available for their care.

What do the results mean – This measures all trust receipts received by PGT adult clients. In 2006/07, out of the 23,195 receipts of income or capital received, 21,335 (92%) were processed within the 5 day target.

The data – Data is from COMET, the PGT core financial operating system. Electronic bulk receipts, which typically include payments from the federal government, are excluded from this measure. This exclusion is under review for future years.

Goal 1 Property and Financial Interests of PGT Clients Will be Well Managed.

1.5 Percentage of client disbursements processed within 15 business days.

TARGET MET ✓

07/08	Target	95%
06/07	Target	95%
	Achieved	95%
05/06	Target	95%
	Achieved	94%
04/05	Target	85%
	Achieved	96%

What does the measure mean – Another important aspect of managing a client's affairs is ensuring that client bills are paid in a timely manner. The majority of client bills are dealt with on an automated basis and require minimal ongoing staff involvement to ensure that client investments are protected once a budget has been established that contemplates these bills. Some bills require manual processing which entails more complex handling.

Why is the measure important – This activity improves quality of life for incapable adults by assuring timely bill payments.

What do the results mean – In 2006/07, 122,927 of 129,061 (95%) adult client bills were processed within 15 business days.

The data – Data is drawn from COMET, the PGT core financial operating system. The measure has been significantly broadened in 2006/07 to include regional offices and automated payments which were excluded in previous years. It is also no longer limited to transactions received and processed within the month. While this broadened scope provides a better understanding of this function, it means that results beginning in 2006/07 cannot be compared directly with those from previous years.

1.6 Physical assets of new deceased estates secured within 15 days of notification of death in 75% of estates, and within 25 days of notification of death in 90% of estates.

TARGET MET ✓

	within 25 days	
07/08	Target	90%
06/07	Target	90%
	Achieved	99%
05/06	Target	90%
	Achieved	98%
04/05	Target	90%
	Achieved	98%
	within 15 days	
07/08	Target	75%
06/07	Target	75%
	Achieved	94%
05/06	Target	75%
	Achieved	94%
04/05	Target	75%
	Achieved	91%

What does the measure mean – Securing the physical assets of a deceased person's estate is a critical step in reducing risks of damage and preventing loss to the value of an estate. The result for creditors and beneficiaries of the estate improves according to how quickly physical assets are secured.

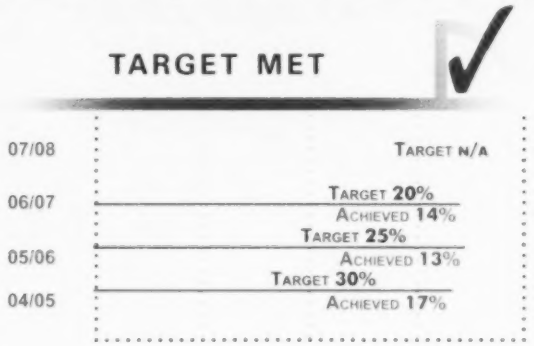
Why is the measure important – This activity secures and maximizes funds available to estates of deceased persons.

What do the results mean – The measure has two sub-targets that reflect differences associated with more complex situations. In 2006/07, PGT was notified of 108 estates, of which 101 (94%) were secured within 15 days and 6 additional estates within 25 days. The total secured within 25 days was 107 of 108 (99%).

The data – Data is drawn from internal divisional logs.

Goal 1 Property and Financial Interests of PGT Clients Will be Well Managed.

1.7 Percentage of Estate Liaison files where more than two years have elapsed following termination of active committeeship.



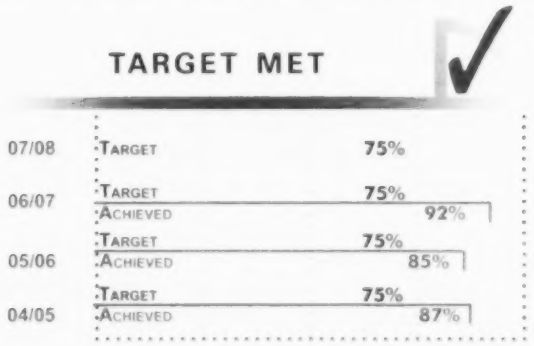
What does the measure mean – In the event of the death of an adult PGT client, management of the former client's affairs is carried out by the Estate Liaison team which makes immediate efforts to locate the client's executor or heirs able to manage the client's estate. In the interim, Estate Liaison must continue to manage the estate, although in a manner that interferes as little as possible in future decisions that an executor or administrator might wish to make.

Why is the measure important – This activity protects and maximizes funds available to heirs and beneficiaries of estates of deceased clients.

What do the results mean – As its standard, PGT measures the number of client files that are over two years old from the date the file was transferred to Estate Liaison. For 2006/07, PGT sought to reduce the number of these files to not more than 20% of the total. At March 31, 2007, out of the 464 past-active committeeships being managed by Estate Liaison, just 65 (14%) were older than two years. These results are well ahead of target.

The data – Data is drawn from COMET, the PGT core financial operating system, and divisional spreadsheets. PGT continues to track this important operational measure. However, as the backlog has been successfully reduced and consistent with the effort to reduce the number of measures, this has not been included in the 2007-2010 SDP.

1.8 Percentage of deceased estate funds distributed to heirs and beneficiaries rather than transferred to the BC Unclaimed Property Society.



What does the measure mean – As Official Administrator, PGT administers estates of deceased persons when no one is willing or able to administer them or where the heirs or beneficiaries are unknown. If PGT is unable to determine the lawful heirs of an estate after conducting a search, the balance of the estate after payment of creditors, administrator's fees and expenses, is transferred to the BC Unclaimed Property Society (BCUPS). While many estates are distributed through single payments, depending on individual circumstances, estates may be distributed in interim stages and a single estate may comprise multiple distributions even within a single year, sometimes to the same individuals.

Why is the measure important – This activity protects heirs and beneficiaries by ensuring they are located and their entitlements distributed to them.

What do the results mean – In 2006/07, PGT Estate and Personal Trust Services made 785 distributions. The total value of distributions was $19,232,301 of which $17,679,572 (92% of value) was transferred to heirs and beneficiaries.

The data – Data is drawn from COMET, the PGT core financial operating system. The scope of the measure was expanded in 2004/05 to include all funds where it had previously measured only those estates over $20,000. In 2005/06, PGT moved from reporting the number of estate files that had been closed to reporting the number of distributions which is a more precise indicator.

Goal 1 Property and Financial Interests of PGT Clients Will be Well Managed.

1.9 Investment returns for all three pooled funds match or exceed established benchmarks.

TARGET MET ✓

	Premium Money Market Fund	Balanced Income Fund	Balanced Growth Fund	Benchmark
06/07	+0.14%	+0.40%	-0.01%	
05/06	+0.04%	-0.17%	+0.06%	
04/05	+0.05%	-0.46%	+0.08%	

What does the measure mean – PGT client funds are invested to maximize returns in a manner appropriate to individual circumstances. The measure is a means of comparing performance by investment managers with established industry benchmarks. PGT has three pooled common funds – the Premium Money Market Fund, the Balanced Income Fund and the Balanced Growth Fund. The majority of client funds are held in the Premium Money Market Fund.

Why is the measure important – This activity improves quality of life for clients by prudently managing their financial resources through quality investment management to ensure their resources are maximized to meet their needs.

What do the results mean – The Premium Money Market Fund exceeded its benchmark by 0.14%. The Balanced Income Fund exceeded its benchmark by 0.40%. The Balanced Growth Fund achieved its benchmark by rounding upwards from -0.01%.

The data – Investment returns are calculated using the investment industry standard of four year rolling averages with information on returns provided by third party professional measurement services. RBC Benchmark measures the Balanced Income and Balanced Growth Funds and BC Investment Management Corporation measures the Premium Money Market Fund.

1.10 Personalized investment plans developed and implemented for clients with financial assets over $50,000.

TARGET MET ✓

07/08	Target	N/A
06/07	Target	95%
	Achieved	97%
05/06	Target	95%
	Achieved	100%
04/05	Target	95%
	Achieved	98%

What does the measure mean – PGT acts in the best interests of clients in managing financial assets. Developing and implementing personalized investment plans is one way in which investment decisions can be tailored to individual client circumstances.

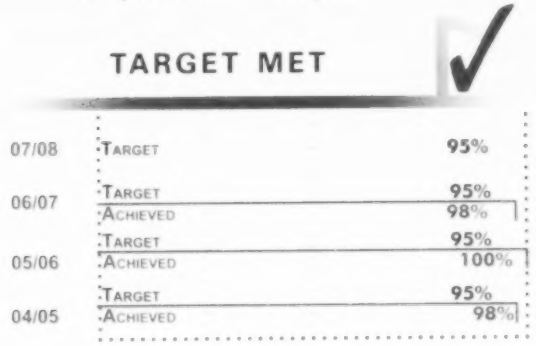
Why is the measure important – This activity improves quality of life for clients by prudently managing their financial resources through quality investment management to ensure their resources are maximized.

What do the results mean – In 2006/07, PGT continued to provide enhanced investment services to clients with assets over $50,000. Out of 1,320 such clients as at September 30, 2006, 1,280 (97%) had personalized investment plans developed and implemented by March 31, 2007.

The data – Data is drawn from COMET, the PGT core financial operating system, and divisional spreadsheets. PGT continues to track this important operational measure. However, consistent with the effort to reduce the number of measures, this has not been included in the 2007–2010 SDP.

Goal 1 Property and Financial Interests of PGT Clients Will be Well Managed.

1.11 Investment plans subject to review according to the assessed level of risk associated with the client investment portfolio will be completed within the year.



What does the measure mean – Reviewing existing client investment plans is important because client needs and risk tolerance change over time. Individual client circumstances, such as increased or decreased needs for cash funds, are considered when developing and reviewing investment plans. Frequency of reviews is also related to the asset mix in the client investment plan.

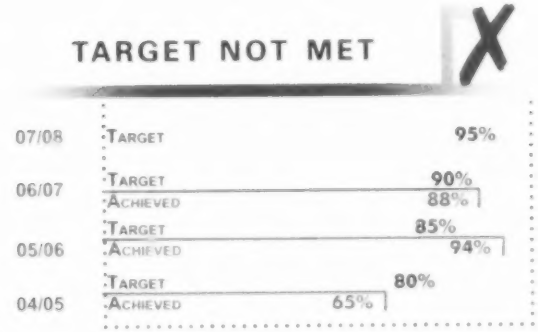
Why is the measure important – This activity improves quality of life for clients by ensuring that financial planning remains up to date to maximize resources available for their needs.

What do the results mean – At March 31, 2006, 841 investment plans were scheduled for review during 2006/07. 119 clients left PGT during the year. Of the remaining 722 clients, 705 (97.6%) of the scheduled account reviews were completed.

The data – Data is drawn from COMET, the PGT core financial operating system.

Goal 2 Personal Interests of PGT Clients Will be Protected.

2.1 Personalized expenditure plans will be developed and implemented for children awarded in excess of $50,000 for cost of care within six months of the PGT receiving funds and then annually reviewed.



What does the measure mean – PGT implements financial case plans on behalf of clients who have been awarded $50,000 or more for the cost of future care in damage settlements. A case plan is typically prepared at the request of the child's guardian. Some children awarded funds for costs of care do not utilize them or require case plans while minors. This preserves the funds for cost of care needs once the child reaches majority.

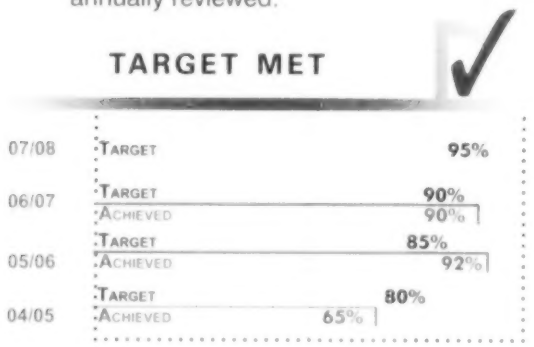
Why is the measure important – This activity improves quality of life for children by providing for sustainable management of their resources to meet current and future costs. This measure focuses on clients with significant liquid assets and is a proxy for administration of trust funds held on behalf of minors.

What do the results mean – In 2006/07, personalized case plans were developed and implemented or reviewed within the target timelines for 21 of 24 (87.5%) minor clients who had been awarded $50,000 or more for costs of care.

The data – This measure does not include funds that courts authorize to be paid directly to parents. Data is drawn from COMET, the PGT core financial operating system, and divisional spreadsheets. Identifying the clients to be included in this measure is technically challenging due to information technology limitations. A PGT internal audit has identified system and process changes that may lessen these challenges.

Goal 2 Personal Interests of PGT Clients Will be Protected.

2.2 Personalized expenditure plans will be developed and implemented for children and youth, with assets in excess of $50,000, where on-going assistance with day-to day maintenance has been approved within 20 days of receiving all decision-making information and then annually reviewed.



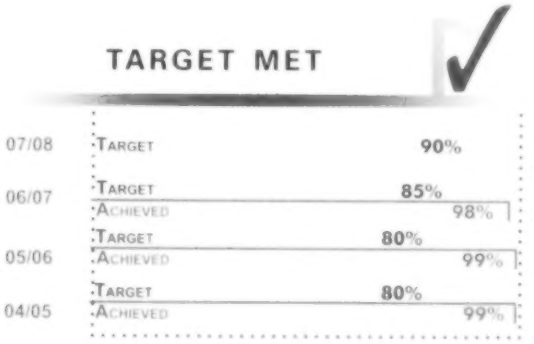
What does the measure mean – PGT implements and maintains financial case plans on behalf of children and youth who have assets of $50,000 or more where ongoing assistance with day-to-day maintenance has been approved. Maintenance includes a broad range of payments to the caregiver for day-to-day costs of the child's needs.

Why is the measure important – This activity improves quality of life for children and youth by providing for sustainable management of their resources to meet current and future needs. This measure focuses on clients with significant liquid assets and is a proxy for administration of trust funds held on behalf of minors.

What do the results mean – In 2006/07, personalized case plans were developed and implemented or reviewed within the target timelines for 77 of 86 (90%) of minor clients who have been awarded $50,000 or more for ongoing maintenance.

The data – This measure does not include funds that are paid directly to parents or guardians. Data is drawn from COMET, the PGT core financial operating system, and divisional spreadsheets. Identifying the clients to be included in this measure is technically challenging due to information technology limitations. A PGT internal audit has identified system and process changes that may lessen these challenges.

2.3 Percentage of Committee of Person clients who are annually visited by PGT staff.



What does the measure mean – There are a small number of clients for whom PGT acts as court appointed Committee of Person and is responsible for their personal care interests. PGT attempts to visit each of these clients at least once each year. For PGT, the visit provides an opportunity to review the client's personal situation and assess whether changes are required to ensure protection of their ongoing personal and health care interests. For the adult, the visit provides a means of conveying information directly to PGT without an intermediary such as a caregiver or care facility administrator.

Why is the measure important – This activity improves quality of life for clients through direct contact with PGT staff and provides for maximum empowerment of the clients. This measure focuses on clients for whom PGT has the greatest responsibility.

What do the results mean – PGT acted as Committee of Person for 116 clients at March 31, 2006. Two of these left PGT authority during the year. PGT staff visited 112 (98.25%) of its Committee of Person clients during the year. The target has increased from 80% in 2005/06 to 85% for 2006/07.

The data – Until February 21, 2007, data has been drawn from COMET, the PGT core financial operating system, and divisional spreadsheets. CASE, the new PGT case management system, has replaced COMET data and will lessen workload associated with tracking this activity in the future.

Goal 2 Personal Interests of PGT Clients Will be Protected.

2.4 Percentage of major health care substitute decisions for adults made within three working days of all relevant information being received.

TARGET MET ✓

07/08	Target	95%
06/07	Target	90%
	Achieved	99%
05/06	Target	85%
	Achieved	99%
04/05	Target	85%
	Achieved	99%

What does the measure mean – PGT protects the personal interests of adults by making health care decisions on their behalf when asked to act as Temporary Substitute Decision Maker (TSDM) under the *Health Care (Consent) and Care Facility (Admission) Act*. PGT also performs many other related activities that are not identified as health care decisions for purposes of this performance measure.

Why is the measure important – The timeliness of PGT decisions on behalf of incapable adults with no one else to act as TSDM is important both to the health of the individual for whom care is being facilitated and to the efficient functioning of the health care system. However, many other factors also influence the health of individual clients and efficiency of the health care system.

What do the results mean – Timeliness of the decision-making is important to ensure clients receive needed health care. In 2006/07, out of 166 major health care decisions, 165 (99%) were made within 3 days.

The data – Until February 21, 2007 data has been drawn from HCIS, the PGT Health Care Information System Access Database. CASE, the new PGT case management system, has now replaced HCIS data.

Goal 3 Statutory Protective and Monitoring Services Will be Delivered in an Appropriate, Timely and Fair Manner.

3.1 Percentage of proposed settlements $5,000 and over that are reviewed and the parties advised of the PGT position within 60 days once all relevant information has been received.

TARGET MET ✓

07/08	Target	90%
06/07	Target	90%
	Achieved	99%
05/06	Target	90%
	Achieved	99%
04/05	Target	90%
	Achieved	98%

What does the measure mean – Under the *Infants Act*, PGT provides independent legal review of all settlements of a minor's claim for unliquidated damages, e.g., wrongful death of a parent, damages for personal injury arising from motor vehicle accidents, medical malpractice and other claims. For settlements over $50,000, comments made by PGT are given to the court which then makes the final determination. For settlements of $50,000 or less, PGT alone reviews, and where appropriate, approves the amount.

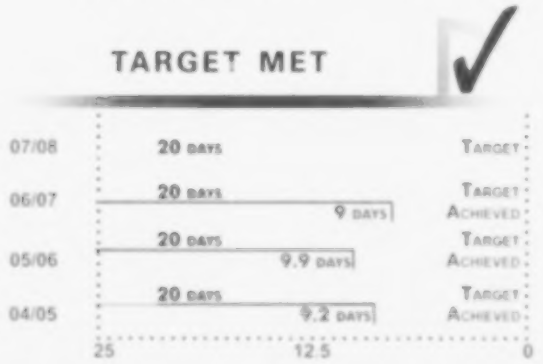
Why is the measure important – This statutory service is provided to protect minors' property rights in obtaining fair and reasonable compensation from negligent parties or their insurers. It contributes to increasing the efficiency of the court system by providing experienced, objective reviews in a timely manner.

What do the results mean – The court recognizes 60 days for completing the reviews as a reasonable length of time in which to provide an appropriate level of scrutiny. Within this timeframe, PGT works as quickly as possible as this review is usually the final step in what may already have been a very long process of litigation and settlement. In 2006/07, PGT reviewed the proposed settlements and advised the parties of the PGT position within 60 days of all relevant information being received in 445 out of 447 cases (99%).

The data – Data is drawn from divisional spreadsheets.

Goal 3 Statutory Protective and Monitoring Services Will be Delivered in an Appropriate, Timely and Fair Manner.

3.2 For settlements under $5,000, the average number of days to review and advise of the PGT position regarding proposed settlements once all relevant information is received.



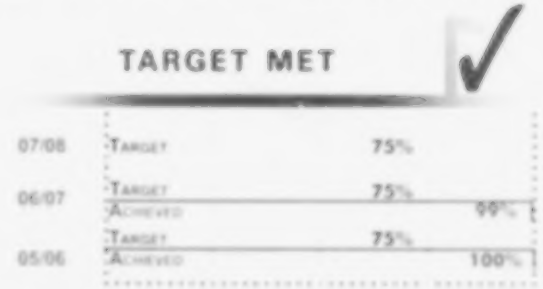
What does the measure mean – This measure is related to the previous measure (3.1) and focuses on proposed settlements of a minor's claim for under $5,000 in unliquidated damages. Under the *Infants Act*, PGT reviews, and where appropriate, approves the amount as it has authority to make these decisions alone up to $50,000. Unsatisfied parties may appeal to the BC Supreme Court, in which case, PGT would provide comments to the court as it does for settlements over $50,000.

Why is the measure important – These smaller settlements are reported separately because they are less complex than larger settlements and it is possible to respond more quickly. This increases efficiency of the review process and helps the parties to achieve closure.

What do the results mean – In 2006/07, PGT reviewed and concluded 451 proposed settlements under $5,000 in an average of 8.85 elapsed days per settlement.

The data – Data is drawn from divisional spreadsheets.

3.3 Percentage of stakeholders reporting satisfaction with PGT process for making recommendations on unliquidated damage claims.



What does the measure mean – Under the *Infants Act*, PGT must review all proposed agreements to settle a claim by a minor for unliquidated damages. The PGT has jurisdiction to approve infant settlements of $50,000 or less (exclusive of interest and costs) outside the court process and provides written comments to the court for amounts greater than $50,000. Various stakeholder groups are surveyed in rotation.

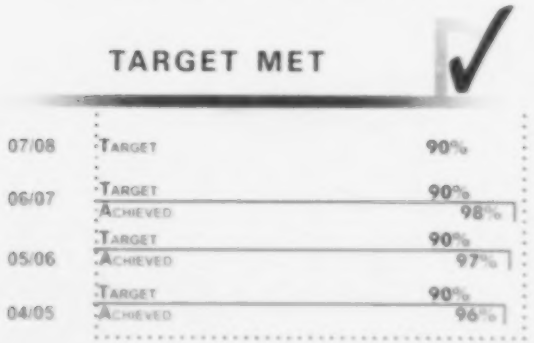
Why is the measure important – Review of proposed infant settlements protects children and minors by providing experienced objective reviews in a timely manner and contributes to increased efficiency of the court system. Surveying external stakeholders improves service delivery by highlighting areas requiring improvement.

What do the results mean – In 2006/07, PGT surveyed insurance adjusters who submitted proposed settlements of infants' claims to the PGT for review under the *Infants Act* during the third quarter of the year. Of 72 who responded to the survey, 71 (99%) rated the service as satisfactory or very satisfactory.

The data – Target stakeholder groups are surveyed in rotation. In 2006/07, this measure applies only to proposed settlements less than $50,000 (exclusive of interest and costs) and submitted by insurance adjusters. Data is drawn from COMET, the PGT core financial operating system and a divisional spreadsheet. In 2005/06, PGT surveyed legal counsel acting on behalf of Litigation Guardians for children as plaintiffs.

Goal 3 Statutory Protective and Monitoring Services Will be Delivered in an Appropriate, Timely and Fair Manner.

3.4 Percentage of cases where, on confirming that the assets of an apparently abused or neglected adult unable to seek support and assistance are at significant risk and in need of immediate protection, protective steps are taken under s.19 of the *Public Guardian and Trustee Act* within one working day.



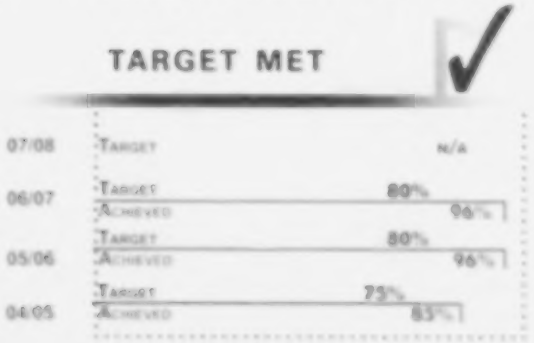
What does the measure mean – PGT is mandated under the *Public Guardian and Trustee Act* to protect incapable adults at risk for abuse, neglect and self-neglect. One way it does this is to safeguard their assets so that persons who are about to take financial advantage of them will be unable to do so. Under Section 19, PGT orders financial interventions to freeze the assets of an individual while PGT investigates the situation.

Why is the measure important – The speed of PGT action can be a major determinate of whether client assets are protected. Taking protective measures in a timely manner increases safety for abused and neglected adults.

What do the results mean – In 2006/07, PGT took protective measures in 116 cases. In 114 of these (98%), protective measures were exercised within one working day.

The data – Until February 21, 2007, data has been drawn from COMET, the PGT core financial operating system, and divisional spreadsheets. CASE, the new PGT case management system will replace COMET data in the future.

3.5 Percentage of financial reviews of Private Committee high risk client situations initiated within 60 days of recept.



What does the measure mean – PGT is responsible under the *Infants Property Act* for monitoring activities of Private Committees appointed by the Supeme Court of British Columbia to be responsible for adults who are not capable of manging their own affairs. A major component of PGT monitoring involves reviewing and passing the accounts of Private Committees which provide information about the financial decisions they have made on behalf of their client. PGT conducts a risk assessment of all accounts submitted to determine the correct risk rating (high, medium, low).

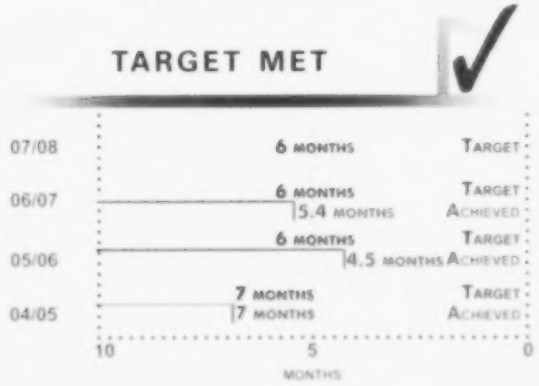
Why is the measure important – This monitoring contributes to he safety of vulnerable adults by limiting risk to their assets from mismanagement or misppropriation. Protecting their assets contributes to improved quality of life by maximizing nancial resources available for their care.

What do the results mean – All high risk client situations are reiewed on a priority basis. In 2006/07, 46 high risk situations were reviewed, of which 44 (96%) were reviewed within 60 days.

The data – Data is drawn from COMET, the PGT core financialperating system, and a divisional spreadsheet. PGT continues to track this important opeational measure. However, consistent with the effort to reduce the number of measures this hs not been included in the 2007-2010 SDP.

Goal 3 Statutory Protective and Monitoring Services Will be Delivered in an Appropriate, Timely and Fair Manner.

3.6 Average age of Private Committee accounts that have been submitted for passing and are awaiting PGT decision.



What does the measure mean – PGT is responsible under the *Patients Property Act* for monitoring the authorities of Private Committees appointed by the Supreme Court of British Columbia to be responsible for adults who are not capable of managing their own affairs. A major component of PGT monitoring involves reviewing and passing the accounts of Private Committees which provide information on the financial decisions they have made on behalf of their clients. This measure reports on the timeliness of the PGT reviews.

Why is the measure important – Private Committees are responsible for administering significant assets belonging to vulnerable or incapable adults. Reviewing their accounts in a timely manner is important so that cases related to misuse or misunderstanding can be remedied and future problems prevented. This monitoring contributes to the safety of vulnerable adults and improved quality of life by maximizing financial resources available for their care.

What do the results mean – At March 31, 2007, the average age of Private Committee accounts awaiting final PGT review was 5.36 months. High risk accounts are reviewed within 60 days. Accounts that are not ready for review, such as incomplete or requiring special investigation, are not included in this average. While the average age has increased over the past year, it remains less than that in the previous year. PGT has implemented a flexible framework for oversight of Private Committee accounts including variable reporting schedules and is considering further elaboration of this risk-based approach.

The data – Until February 21, 2007, data has been drawn from COMET, the PGT core financial operating system, and divisional spreadsheets. Data from CASE, the new PGT case management system, has replaced COMET data.

Goal 4 PGT Will Contribute to Public Awareness, Policy Issues and Law Reform Initiatives to Promote the Interests of Clients.

4.1 PGT will respond to recommendations from the Premier's Council on Aging and Seniors' Issues on priority areas of law reform affecting vulnerable seniors.

TARGET MET

What does the measure mean – The Premier's Council on Aging and Seniors' Issues was appointed in 2005 to examine a range of issues relating to seniors. PGT made presentations to the Council on two separate occasions. The Council submitted its report, *Aging Well in British Columbia*, to the Premier in November 2006.

Why is the measure important – Approximately 70% of adult clients are seniors for whom PGT provides a broad range of personal, legal and financial decision-making.

What do the results mean – PGT analyzed the Council report and made a submission to the Aging Well in BC Steering Committee that has been appointed to coordinate implementation of the report.

The data – Data has been drawn from divisional Word documents. As the Council has now reported and consistent with the effort to reduce the number of measures, this measure was not included in the 2007-2010 SDP.

4.2 PGT role explained by PGT represetatives at stakeholder conferences/events and other public education forums.

TARGET MET

What does the measure mean – There is continuing high public and partner demand for PGT to make presentations about PGT and its areas of responsibility. Service partners also request presentations that will enable them to understand related roles and responsibilities.

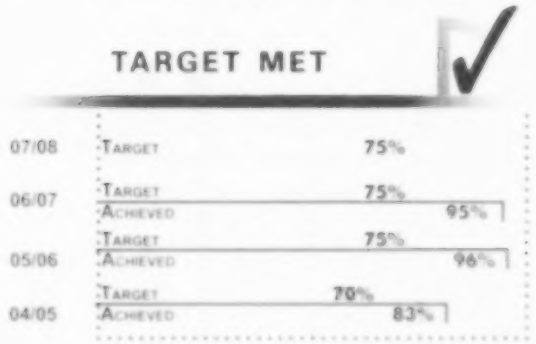
Why is the measure important – Better public and stakeholder understanding of the PGT role promotes appropriate and effective uptake of PGT services. The BC Child and Youth Review recommended that PGT participate with partners in public education activities.

What do the results mean – In 2006/07, PGT made public presentations at 110 meetings, conferences or other events. While this greatly exceeded the target, the actual demand for such presentations was even greater. PGT continually strives to meet this demand.

The data – Data is drawn from divisional spreadsheets.

Goal 5 PGT Will Improve its Ability to Deliver Effective and Efficient Services to Clients.

5.1 Percentage of heirs and beneficiaries responding to survey who rated administration services for deceased estates as good or very good.



What does the measure mean – PGT administers estates of deceased persons. The Estate and Personal Trust Services division conducts a client satisfaction survey with heirs and beneficiaries who receive funds when administration of an estate is completed.

Why is the measure important – This activity measures client satisfaction. It gives heirs and beneficiaries the opportunity to provide feedback on what is important to them concerning the services PGT provides. This activity also improves service delivery by highlighting areas needing improvement.

What do the results mean – In 2006/07, 290 of 305 (95%) of beneficiaries who responded to the survey question rating estate administration services rated them as good or very good.

The data – Data has been drawn from divisional Word documents.

5.2 Implement and meet service commitments for administration of deceased estates.

What does the measure mean – PGT has been piloting draft service commitments in its administration services for deceased estates. The draft commitments establish specific timelines for certain activities and are being piloted to assess whether the commitments can be realistically tracked in view of the unique nature of every administration and the absence of a related information technology system. The pilot is also intended to assess whether or not the suggested timelines are reasonable for the PGT client base which differs significantly from that of the private sector.

Why is the measure important – This activity is important because service commitments set expectations for heirs and beneficiaries with respect to timelines, and improves communication between the PGT's office and the heirs and beneficiaries.

What do the results mean – Piloting of the service commitments ended in 2006 when the division modified and integrated them into its ongoing activities. The commitments are shared with all heirs and beneficiaries who are then surveyed as to whether they consider the commitments to have been met.

The data – Data has been drawn from COMET, the PGT core financial operating system, and divisional spreadsheets. As the service commitments have now been integrated into ongoing operations, and consistent with the effort to reduce the number of measures, this measure was not included in the 2007–2010 SDP. PGT will continue to monitor the commitments as part of its customer satisfaction survey regarding deceased estates.

Goal 5 PGT Will Improve its Ability to Deliver Effective and Efficient Services to Clients.

5.3 Implement case management system in phases.

What does the measure mean — PGT has been relying on an inadequate legacy information technology system that was designed for financial management purposes. It is developing and implementing a case management system in phases.

Why is the measure important — This activity benefits clients by facilitating efficient management of their assets and personal care requirements. It serves a broader public purpose by providing management information to facilitate effective planning in PGT responsibility areas.

What do the results mean — PGT is ahead of the planned schedule. In 2006/07, PGT moved from purchase to initial implementation of its case management system.

The data — Data has been drawn from a broad range of planning and tracking documents maintained by PGT Assurance Services and Technology.

Goal 6 PGT Will Maintain a Work Environment that Attracts, Develops, Values and Empowers Staff to Deliver Quality Service.

6.1 Average number of training days per year per FTE.

What does the measure mean — PGT staff work in a complex, dynamic, and high volume environment. It is essential that they be provided with current and relevant training to assist them in delivering comprehensive and appropriate service to clients. In 2006/07, staff underwent significant training associated with implementation of CASE, the new case management information technology system.

Why is the measure important — The number of training days per staff per year is an indicator of contributing to quality client service. Trained staff improve the well-being of clients and facilitate relations with service partners by ensuring consistency.

What do the results mean — In 2006/07, the training target was surpassed with the average training hours per employee being 29.10 hours or over 4 days each.

The data — Data was drawn from divisional spreadsheets. PGT will continue to track this important operational measure. However, consistent with the effort to reduce the number of measures and to have an external focus on measures, this has not been included in the 2007–2010 MRP.

Goal 6 PGT Will Maintain a Work Environment that Attracts, Develops, Values and Empowers Staff to Deliver Quality Service.

6.2 Percentage of staff and supervisors who believe that they have the necessary training to do their current work well.

What does the measure mean? – PGT staff work in a complex, dynamic, and high volume environment. It is essential they be provided with current and relevant training to assist them in delivering comprehensive and appropriate service to clients.

Why is the measure important? – This activity protects client interests by having well trained professional staff.

What do the results mean? – A staff survey distributed in December 2006 was completed by 114 PGT staff members. Of the 111 who answered this question, 100 (or 90%) believe they have the necessary training to do their current work well. All supervisors and managers who responded reported agreement.

The data – Data has been drawn from divisional spreadsheets. PGT will continue to track this important operational measure. However, consistent with the effort to reduce the number of measures and to have an external focus on measures, this has not been included in the 2007–2010 SDP.

E. LINKING RESOURCES TO PERFORMANCE

1. Linking Resources, Strategies and Results

a. Background

PGT is a corporation sole responsible by law for delivering a broad range of services to clients and is self funded for more than half of its expenditure budget. In developing its annual budget, PGT provides for meeting its statutory and fiduciary obligations to its clients. PGT establishes strategic goals and determines performance measures and targets within the budget resources and constraints of the given year in the context of a three year plan.

PGT delivers client services through a combination of integrated, division-specific and cross-divisional activities and those delivered in conjunction with service partners. Operational divisions focus on broad service groups such as children and youth, services to adults, and estate and personal trust services.

These operational divisions are supported by integrated services such as investments, legal, facilities, budgeting, information systems, securing of client assets, warehousing and executive support services.

In addition, some services, such as quality assurance, risk management and client real property management activities are delivered in a cross-divisional manner.

Costs for PGT integrated services are assigned across the organization using an allocation model developed to reflect approximate usage of key services. Costs of cross-divisional services are assigned directly through operational divisional budgets and indirectly through costs assigned through the allocation model. To see the Allocation of Revenues and Expenses by Program – Budgeted and Actual (Unaudited) for the Year Ended March 31, 2007, see pages 52 and 53.

Delivery of services and allocation of costs reflect what is mirrored in the following Table 1 describing which PGT goals apply to which area of expenditure. The table provides a context that serves to put PGT areas of expenditure in perspective. The distribution also reflects the increasingly integrated nature of PGT operations.

b. Linkages

Client services fall into one of two areas of expenditure, i.e., estate and trust services or public services. Estate and trust services are those where the benefit to the individual is considered to be greater than the benefit to society and the level of cost recovery reflects this individual benefit. Public services are those where the benefit to society is considered to outweigh the benefit to the individual and the limited or nil cost recovery reflects the public nature of the service.

Table 1 demonstrates that most goals apply broadly to both areas of expenditure and may involve a number of programs and expenditures and also a number of programs and divisions. Because of this shared responsibility, it is difficult to fully segment expenditures according to each individual goal or its associated objectives and measures.

c. Challenges

While the challenge of segmenting expenditures applies at the broad goal level, it is not the case with specific measures within each goal as these are more likely to apply to a single area of expenditure than to another. However, PGT considers that elaboration with respect to budget specifics of individual measures is not possible as the work is too interrelated and spread throughout PGT activities.

For example, a new adult client requires more than preparation of a new case plan, i.e., assets must be secured, legal interests must be considered, real property may have to be sold, housing and care may have to be arranged, an investment plan may have to be developed, debts may have to be paid, overdue taxes may have to be made current and such.

The impact of these complex linkages is that although the areas of expenditure are linked with groups of strategic goals, the relationship between changes in costs and performance and outcomes may not be directly or immediately related.

For example, while Private Committee Services has received additional resources for each of the past several years to enable it to meet a performance target, this will not be reflected in the budget numbers at the strategic goal level. PGT considers this to be an indicator of the need for caution that must be exercised when reviewing linkages between resources, goals and strategies.

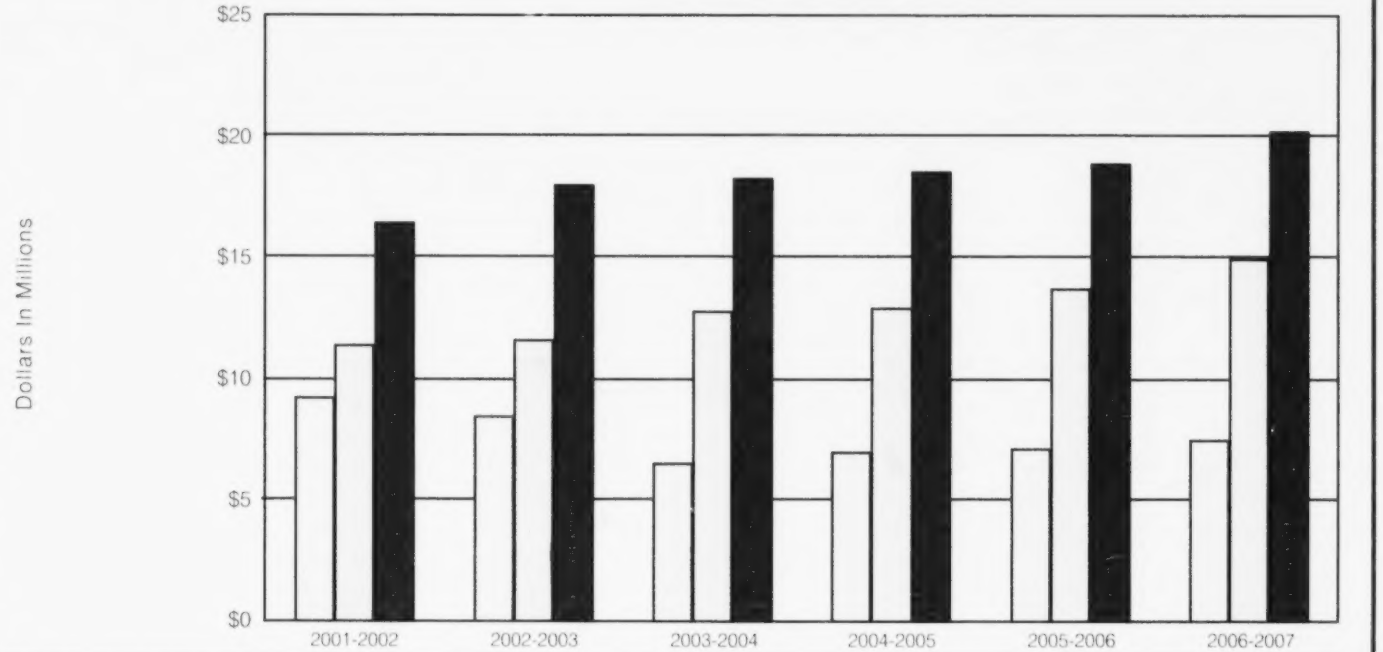
PGT believes another area in which caution must be exercised is that of efficiency measures with respect to resource costs in a context of minimum client service standards and increasing growth in requirements for due process.

Table 1: Areas of Expenditure and PGT Strategic Goals [unaudited]

Area of Expenditure*	Strategic Goals Most Directly Affected*	Context
ESTATE AND TRUST SERVICES		
Estate and Trust Services are the primary PGT responsibility and accounted for $13,965,304 or 69% of total costs in 2006/07 and produced $13,480,173 or 90% of self-generated revenue. Trust and estate services include the following: Child and Youth Services Services to Adults Estate and Personal Trust Services	**Goal #1**. Property and financial interests of PGT clients will be well managed. **Goal #2**. Personal interests of PGT clients will be protected. **Goal #4**. The PGT will contribute to public awareness, policy issues and law reform initiatives to promote the interests of clients. **Goal #5**. The PGT will improve its ability to deliver effective and efficient services to clients. **Goal #6**. The PGT will maintain a work environment that attracts, develops, values and empowers staff to deliver quality service.	• The rate of cost recovery in Estate and Personal Trust Services continued to rise in 2006/07 with the division achieving full cost recovery. The rate of cost recovery rose from 66% in 2003/04 to 111% in 2006/07. • The PGT acts as a prudent investor in managing client funds. All client funds are invested in one of three pooled funds according to their needs or in individualized investment portfolios for a small number of clients. These investment activities support goal #1 by managing client property and financial interests. At March 31, 2007, the average cost per client of PGT Investment Management Services was $20.15 ($22.67 at March 31, 2006).
PUBLIC SERVICES		
Public Services accounted for $6,163,424 or 31% of total costs in 2006/07 and produced $1,423,364 or 10% of self-generated revenue. Public services include the following which are identified by expenses and also by self-generated revenues (in brackets): Child and Youth Guardian of Estate $1,675,597 ($187,218) Infant Settlement Reviews $1,091,676 ($498,079) Notices $555,006 ($253,768) Services to Adults Assessment and Investigation $745,104 ($1,650) Health Care Decisions $637,071 ($0) Private Committee Services $1,309,044 ($482,649) Adult Guardianship $149,926 ($0)	**Goal #1**. Property and financial interests of PGT clients will be well managed. **Goal #2**. Personal interests of PGT clients will be protected. **Goal #3**. Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner. **Goal #4**. The PGT will contribute to public awareness, policy issues and law reform initiatives to promote the interests of clients. **Goal #5**. The PGT will improve its ability to deliver effective and efficient services to clients. **Goal #6**. The PGT will maintain a work environment that attracts, develops, values and empowers staff to deliver quality service.	• Under the *Health Care (Consent) and Care Facility (Admission) Act*, when required, PGT staff make substitute health care treatment decisions or appoint other suitable decision-makers. This health care decision-making activity supports goal #2 by protecting personal interests of PGT clients. In 2006/07, average cost per case was $938.25 ($731 in 2005/06). • Improved reporting by the Ministry of Children and Family Development of children coming into continuing care of the Province has resulted in the number of children for whom PGT acts as Guardian of Estate rising dramatically from approximately 2,800 in January 2002 to approximately 5,700 at March 31, 2007. Many of these children have potential legal claims for damages for injury and require legal services from PGT. This pressure for legal services is heightened by the impact of a series of Supreme Court of Canada decisions regarding liability for wrongs committed by foster parents and by increased public and government expectations associated with release of the Hughes Child and Youth Review in April 2006. • The *Estate Administration Act* (Section 112) requires that PGT be notified before application can be made to settle an estate involving interests of a child. These Section 112 reviews support goal #3 by delivering statutory protective services in a timely manner. In 2006/07, cost per review was $518 ($432 in 2005/06) of which $300 per notice was recovered as a fee. • Private Committee Services (PCS) is experiencing new challenges associated with higher review standards and the need for increased compliance activities. In 2006/07, PGT redirected $117,700 ($105,500 in 2005/06) of in-year budget resources to PCS to allow it to provide services and meet an at-risk SDP target.

**All PGT expenditures are allocated into one of two categories, i.e., Estate and Trust Services or Public Services. Individual measures within a goal may relate more specifically to one area of expenditure or another.*

Table 2: PGT Voted Funding, Revenues and Expenses, 2001/2002 – 2006/2007



	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Voted Funding	$9.22	$8.43	$6.50	$6.95	$7.11	$7.47
Self Generated Revenues	$11.38	$11.54	$12.76	$12.89	$13.69	$14.90
Expenses	$16.36	$17.93	$18.24	$18.53	$18.85	$20.13

2. REVENUE AND PROGRAM COSTS 2006/2007

a. Introduction

The PGT cost allocation model was developed to show revenues and costs in a meaningful way by linking resources to the costs of service provision.

The model continues to evolve in response to the changing environment in which PGT operates and as technological improvements allow more sophistication in aligning resources and costs.

b. Revenue Sources and Variances

i) Revenue Sources

Revenue is comprised of commissions, fees and recoveries charged to PGT estate and trust clients for services rendered, monitoring fees charged to other clients and funding received from the Province of British Columbia.

Commissions and fees are charged in accordance with the *Public Guardian and Trustee Fees Regulation*.

ii) Revenue Variances [unaudited]

For the year ended March 31, 2007

($ in thousands)

Brackets in variance column indicate actual revenues in excess of budget

	Budget	Actual	Variance	Note
Revenues				
Self-generated funding				
Commissions	$8,626	$10,262	$(1,636)	1
Asset management fees	2,322	2,600	(278)	2
Estate liaison administration fees	330	348	(18)	
Estate and personal trust services heir tracing fees	130	131	(1)	
Fees including private committee, infant settlement, and applications to court	1,325	1,295	30	
Cost recoveries	139	268	(129)	3
Voted funding				
Funding from the Province of British Columbia	7,124	7,468	(344)	4
Total Revenues	**$19,996**	**$22,372**	**$(2,376)**	

iii) Explanatory Notes on Revenue Variances

1. As in fiscal 2005/06, commission revenues were positively influenced by the continuing strong real estate market in Vancouver, Victoria and the Lower Mainland and the healthy investment market. Although the greatest impact was seen in capital commissions, income commissions also showed positive gains due to increased investment returns. The PMMF return for 2006/07 of 4.6% significantly exceeded the 2005/06 return of 3.8%.
2. Net assets held in trust increased by approximately $63 million with a corresponding positive effect on the asset management fee revenue.
3. PGT achieved an excellent pattern of cost recoveries enhanced by a special clearing of outstanding amounts in February and March 2007.
4. Additional voted funding was received to cover the costs of the collective agreement and management settlements under the negotiating framework.

c. Expenses and Variances

i) Expense Variances [unaudited]

For the year ended March 31, 2007

($ in thousands)

Brackets in variance column indicate actual expenses in excess of budget

	Budget	Actual	Variance	Note
Expenses				
Salaries and benefits	$14,043	$14,260	$(217)	1
Professional contracts	1,587	1,645	(58)	
Building occupancy	1,545	1,481	64	
Computer related	631	1,224	(593)	1
Other	1,449	1,677	(228)	1
Expenses (recoveries)	(164)	(158)	(6)	
Total Expenses	**$19,091**	**$20,129**	**$(1,038)**	

ii) Explanatory Note on Expense Variances

1. PGT implemented a new case management system (CASE) in 2006/07. Salaries and benefits were impacted by the cost of additional staff recruited for data clean-up, conversion and transfer. Computer related costs increased over budget due to the need for contracted assistance for operational aspects of the CASE development. Other costs exceeded budget by expenditures related to training and travel required during the conversion and "go-live" portion of the CASE project in January and February 2007.

Public Guardian and Trustee of British Columbia
Allocation of Revenues and Expenditures by Program - Budget (unaudited)
Fiscal year ended March 31, 2007

	Estate and Trust Services				Public Services			
	Services to Adults	Estate and Personal Trust Services	Child and Youth Services	Subtotal	Services to Adults	Child and Youth Services	Subtotal	Totals
Revenues								
Self-generated funding								
Commissions	5,100,000	1,752,648	1,715,088	**8,567,736**	0	58,064	**58,064**	**8,625,800**
Asset management fees	1,097,000	460,000	710,600	**2,267,600**	0	54,400	**54,400**	**2,322,000**
Estate liaison administration fees	330,000	0	0	**330,000**	0	0	**0**	**330,000**
Estate and personal trust services heir tracing fees	0	130,000	0	**130,000**	0	0	**0**	**130,000**
Private committee review fees	0	0	0	**0**	500,000	0	**500,000**	**500,000**
Infant settlement review fees	0	0	0	**0**	0	500,000	**500,000**	**500,000**
Applications to Court	48,000	0	0	**48,000**	0	277,000	**277,000**	**325,000**
Cost recoveries	74,900	63,100	1,200	**139,200**	0	0	**0**	**139,200**
	6,649,900	**2,405,748**	**2,426,888**	**11,482,536**	**500,000**	**889,464**	**1,389,464**	**12,872,000**
Funding from other sources								
Voted funding								**7,124,000**
Total Revenues	**6,649,900**	**2,405,748**	**2,426,888**	**11,482,536**	**500,000**	**889,464**	**1,389,464**	**19,996,000**
Expenses								
Salaries and benefits	6,017,951	2,503,781	975,434	**9,497,166**	2,469,147	2,076,506	**4,545,653**	**14,042,819**
Professional contracts	870,883	110,550	68,510	**1,049,943**	226,726	310,276	**537,002**	**1,586,945**
Building occupancy	796,009	261,170	67,182	**1,124,361**	226,794	193,844	**420,638**	**1,544,999**
Computer related	258,148	57,083	275,480	**590,711**	8,984	31,623	**40,607**	**631,318**
Other	640,631	190,813	222,041	**1,053,485**	261,394	134,253	**395,647**	**1,449,132**
Expenses (recoveries)	(165,886)	31,644	40,889	**(93,353)**	(5,667)	(64,680)	**(70,347)**	**(163,700)**
Total Expenses	**8,417,736**	**3,155,041**	**1,649,536**	**13,222,313**	**3,187,378**	**2,681,822**	**5,869,200**	**19,091,513**
	(1,767,836)	(749,293)	777,352	**(1,739,777)**	(2,687,378)	(1,792,358)	**(4,479,736)**	
Excess of Revenues over Expenses								**$904,487**

Public Guardian and Trustee of British Columbia
Allocation of Revenues and Expenditures by Program - Actual (unaudited)
Fiscal year ended March 31, 2007

	Estate and Trust Services				Public Services			
	Services to Adults	Estate and Personal Trust Services	Child and Youth Services	Subtotal	Services to Adults	Child and Youth Services	Subtotal	Totals
Revenues								
Self-generated funding								
Commissions	5,823,825	2,587,594	1,705,633	**10,117,052**	0	144,856	**144,856**	**10,261,908**
Asset management fees	1,344,218	525,917	687,408	**2,557,543**	0	42,362	**42,362**	**2,599,905**
Estate liaison administration fees	348,119	0	0	**348,119**	0	0	**0**	**348,119**
Estate and personal trust services heir tracing fees	0	131,190	0	**131,190**	0	0	**0**	**131,190**
Private committee review fees	0	0	0	**0**	484,299	0	**484,299**	**484,299**
Infant settlement review fees	0	0	0	**0**	0	495,207	**495,207**	**495,207**
Applications to Court	54,000	4,694	0	**58,694**	0	256,640	**256,640**	**315,334**
Cost recoveries	135,569	117,807	14,199	**267,575**	0	0	**0**	**267,575**
	7,705,731	**3,367,202**	**2,407,240**	**13,480,173**	**484,299**	**939,065**	**1,423,364**	**14,903,537**
Funding from other sources								
Voted funding								**7,468,000**
Total Revenues	**7,705,731**	**3,367,202**	**2,407,240**	**13,480,173**	**484,299**	**939,065**	**1,423,364**	**22,371,537**
Expenses								
Salaries and benefits	6,069,544	2,391,896	1,257,500	**9,718,940**	2,227,093	2,314,035	**4,541,128**	**14,260,068**
Professional contracts	858,989	99,590	64,869	**1,023,448**	235,755	385,903	**621,658**	**1,645,106**
Building occupancy	795,147	225,003	95,702	**1,115,852**	169,101	195,583	**364,684**	**1,480,536**
Computer related	347,585	112,442	456,439	**916,466**	102,446	205,231	**307,677**	**1,224,143**
Other	772,227	205,319	344,097	**1,321,643**	175,457	179,431	**354,888**	**1,676,531**
Expenses (recoveries)	(125,307)	2,467	(8,205)	**(131,045)**	(68,706)	42,095	**(26,611)**	**(157,656)**
Total Expenses	**8,718,185**	**3,036,717**	**2,210,402**	**13,965,304**	**2,841,146**	**3,322,278**	**6,163,424**	**20,128,728**
	(1,012,454)	330,485	196,838	**(485,131)**	(2,356,847)	(2,383,213)	**(4,740,060)**	
Excess of Revenues over Expenses								**$2,242,809**

2006/2007

AUDITED FINANCIAL STATEMENTS

OPERATING ACCOUNT

ESTATES AND TRUSTS ADMINISTERED

OPERATING ACCOUNT

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA
700 - 808 West Hastings Street, Vancouver, BC Canada V6C 3L3 • Phone: (604) 660-4444 • Fax: (604) 660-0374
www.trustee.bc.ca

FINANCIAL STATEMENTS

March 31, 2007

Management's Statement of Responsibilities for the Financial Statements of the Public Guardian and Trustee of British Columbia

The accompanying financial statements of the Public Guardian and Trustee Operating Account are the responsibility of management. These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects. When alternative accounting policies exist, management has chosen those it deems most appropriate in the circumstances.

Systems of internal accounting and administrative controls are maintained to provide reasonable assurance that the financial statements are reliable and accurate and that transactions are properly authorized, recorded and executed in accordance with prescribed regulations, and that the corporation's and clients' assets are appropriately accounted for and adequately safeguarded.

The Auditor General of British Columbia provides an independent opinion on the financial statements prepared by the Public Guardian and Trustee of British Columbia. The duties of the Auditor General in that respect are contained in Section 26 of the *Public Guardian and Trustee Act*.

Jay Chalke, Q.C.
Public Guardian and Trustee

July 6, 2007

Report of the Auditor General of British Columbia

To the Public Guardian and Trustee of British Columbia,

To the Attorney General, Province of British Columbia, and

To the Members of the Legislative Assembly of British Columbia:

I have audited the balance sheet of the *Public Guardian and Trustee of British Columbia* Operating Account as at March 31, 2007 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Public Guardian and Trustee's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the *Public Guardian and Trustee of British Columbia* Operating Account as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Victoria, British Columbia
July 6, 2007

Errol S. Price, CA
Acting Auditor General

Public Guardian and Trustee of British Columbia
Operating Account
Balance Sheet
As at March 31, 2007
($ in thousands)

	2007	2006
Assets		
Due from the Province of British Columbia (note 3)	$16,164	$15,085
Accounts receivable (note 6 (d))	522	494
Current assets	16,686	15,579
Capital assets (notes 2 (b) and 4)	2,231	1,896
	$18,917	$17,475
Liabilities		
Accounts payable and accrued liabilities	$1,096	$1,377
Accrued employee leave liability (note 2 (e))	-	520
	1,096	1,897
Operating Account Balance	17,821	15,578
	$18,917	$17,475

The accompanying notes are an integral part of these financial statements.

Jay Chalke, Q.C.
Public Guardian and Trustee

July 6, 2007

Public Guardian and Trustee of British Columbia
Operating Account
Statement of Operations
For the Year Ended March 31, 2007
($ in thousands)

	2007	2006
Revenues		
Operating revenues (note 2 (c))	$14,904	$13,687
Funding from the Province of British Columbia (note 6 (a))	7,468	7,112
	22,372	20,799
Expenses		
Salaries and benefits	14,260	13,524
Building occupancy (note 6 (b))	1,481	1,469
Other operating and administrative costs	1,158	923
Computer systems and support	1,201	567
Amortization	609	550
Client expenditures (note 2 (d))	575	713
Legal services	522	545
Professional services	323	542
Contributions to communities (note 5)	-	13
	20,129	18,846
Excess of Revenues Over Expenses	2,243	1,953
Operating Account Balance, Beginning of Year	15,578	13,625
Operating Account Balance, End of Year	$17,821	$15,578

The accompanying notes are an integral part of these financial statements.

Public Guardian and Trustee of British Columbia
Operating Account
Statement of Cash Flows
For the Year Ended March 31, 2007
($ in thousands)

	2007	2006
Cash Flows from Operating Activities		
Cash Generated From		
Operating revenues	$14,876	$13,664
Funding from the Province of British Columbia	7,468	7,112
	22,344	20,776
Cash Used For		
Salaries and benefits	(14,922)	(13,900)
Operating expenses	(5,333)	(5,146)
	(20,255)	(19,046)
	2,089	1,730
Cash Used For Investing Activities		
Purchase of capital assets	(1,010)	(793)
Increase in Cash	1,079	937
Cash, Beginning of Year	15,085	14,148
Cash, End of Year	$16,164	$15,085
Represented By		
Due from the Province of British Columbia (note 3)	$16,164	$15,085

The accompanying notes are an integral part of these financial statements.

Public Guardian and Trustee of British Columbia
Operating Account
Notes to Financial Statements
For the Year Ended March 31, 2007
($ in thousands)

1. Reporting Entity

The Public Guardian and Trustee Operating Account ("Operating Account") operates under the authority of the *Public Guardian and Trustee Act*. The Operating Account is not liable for taxation, except insofar as the government is liable. The Operating Account was established as a Special Account in the general fund of the consolidated revenue fund of the Province of British Columbia.

Spending from revenue in excess of the budget approved by the Province of British Columbia or from the Operating Account Balance requires Treasury Board approval.

The Operating Account reports the revenues earned from the services provided to clients of the Public Guardian and Trustee and the operating and capital expenditures relating to the provision of these services. Clients are adults who are not capable of managing their own affairs, deceased persons' estates which have no other person willing and able to act for them, estates of missing persons, and children in receipt of settlement funds, insurance policy proceeds or money from estates.

Separate financial statements have been prepared as of March 31, 2007 for client trust accounts which include $696,662 of net assets held in trust.

2. Significant Accounting Policies

(a) Basis of Accounting

Management has prepared these financial statements in accordance with Canadian generally accepted accounting principles.

(b) Capital Assets

Capital assets are recorded at cost less accumulated amortization and amortized on a straight-line basis over their estimated useful lives. Personal computer hardware and software are amortized over three years. All remaining assets are amortized over five years. No salvage value is assumed.

(c) Revenue Recognition

Commissions and fees are paid by trust clients in accordance with the *Public Guardian and Trustee Fees Regulation* as provided for under the *Public Guardian and Trustee Act*. Commissions and fees are recognized in the period during which the service is provided or at the point in time directed by regulation, court order, co-trustees or beneficiaries.

(d) Client Expenditures

Client expenditures represent amounts paid for clients' property management, advances to clients and other miscellaneous expenditures made on behalf of clients where the clients do not have the funds to pay or where an administrative decision has been made to pay an amount on behalf of clients. Legal expenditures paid on behalf of clients are reported under legal services.

(e) Accrued Employee Leave Liability

Accrued employee leave liability represents vacation and other leave entitlements due to employees under existing employment agreements.

Effective April 1, 2006, the Benefits Financial Management Office of the Corporate and Ministry Support Services, Ministry of Finance, took responsibility for developing common processes and policies for the administration and management of leave liability. At that point, the leave liability balance for the Public Guardian and Trustee was consolidated to that office.

Current year leave liability is expensed and is reflected in the financial statements as an increase or decrease in salaries and benefits. Prior leave taken is funded directly from the leave liability balances held by the Benefits Financial Management Office and is not reflected in the financial statements.

(f) Employee Benefit Plans

The Public Guardian and Trustee has a defined benefit plan and a defined retirement plan for substantially all of its employees. In addition, the Public Guardian and Trustee has defined health care plans for substantially all employees and retirees.

The Public Guardian and Trustee and its employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pension Plans Act*. The plan is a joint trustee plan with a board of trustees, representing plan members and employers, sharing responsibility for overseeing management of the plan. The pension plan is a multi-employer contributory defined benefit pension plan.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent actuarial valuation, as of March 31, 2005, indicated that the plan was in a deficit position. As a result, the actuary has determined that an increase in contribution rates of 1.88% each, for plan members and employers, is necessary effective April 1, 2006 in order for the plan to maintain its financial health.

Employees are also entitled to specific health care and termination benefits as provided for under collective agreements and terms of employment.

Defined contribution plan accounting is applied to these benefit plans as the Public Guardian and Trustee has insufficient information to apply defined benefit plan accounting. As such, the cost of employee future benefits for these plans is recognized as an expense in the year contributions are paid.

(g) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions in determining reported amounts. Actual results could differ from these estimates.

3. Due from the Province of British Columbia

The Public Guardian and Trustee does not maintain a separate bank account and uses the Province of British Columbia's financial and banking systems to process and record its transactions. The amount due from the Province of British Columbia represents the accumulated net financial transactions of the Operating Account.

4. Capital Assets

	2007			2006
	Cost	Less: Accumulated amortization	Net book value	Net book value
Furniture and equipment	$604	$549	$55	$52
Personal computer software	699	603	96	93
Computer hardware – less than $10,000	1,557	1,375	182	147
Server computer software	2,833	1,202	1,631	1,207
Computer hardware – more than $10,000	410	307	103	144
Tenant improvements	906	840	66	89
Capital assets in use	7,009	4,876	2,133	1,732
Server computer software under development	56	-	56	164
Operating equipment work in progress	42	-	42	-
Total capital assets	$7,107	$4,876	$2,231	$1,896

The Public Guardian and Trustee is currently upgrading and enhancing its client case management system. Amortization will be taken when individual components of the project are completed and in use.

5. Contributions to Communities

In prior years, contributions were made to communities for projects that address abuse and neglect related to adult guardianship. In 2006, contributions were made to aid in activities to address and prevent abuse and neglect of vulnerable seniors under Part 3 of the *Adult Guardianship Act*. The purpose of these contributions was to raise awareness and to provide additional support in addressing and preventing abuse of vulnerable seniors.

6. Related Party Transactions

The Public Guardian and Trustee is a corporation sole. All transactions with the Province of British Columbia ministries, agencies and Crown corporations occurred in the normal course of operations and are valued at exchange amount, which is representative of fair value unless otherwise disclosed in these notes.

(a) A transfer from a sub-vote of the Ministry of Attorney General has been provided for adult guardianship legislation and other expenditures of the Public Guardian and Trustee.

(b) The Public Guardian and Trustee's warehouse facility, Vancouver office, Vancouver Island regional office, and Interior/North regional office are provided through Accommodation and Real Estate Services, a division of the Ministry of Labour and Citizens' Services. Total building occupancy payments for 2007 were $1,481 (2006: $1,469). These building occupancy arrangements expire in 2008, 2011, 2011 and 2012 respectively and have a six-month termination notice without penalty.

(c) Certain financial and administrative services are provided centrally by various ministries and agencies of the government of British Columbia. The costs of these services are not charged to the Operating Account and are therefore not included in these financial statements.

(d) Accounts receivable includes, in part, amounts due from Estates and Trusts Administered by the Public Guardian and Trustee of $507 (2006: $476).

7. Contingent Liabilities

From time to time, the Public Guardian and Trustee is a defendant in legal actions in carrying out his duties. Under Section 21 of the *Public Guardian and Trustee Act*, monies required to discharge any liability or claim against the Public Guardian and Trustee must be paid out of the consolidated revenue fund of the Province of British Columbia.

8. Comparability of Reported Amounts

(a) The Public Accounts are the financial statements of the Province of British Columbia and are prepared in accordance with Canadian generally accepted accounting principles. The financial statements of the Operating Account are similarly prepared in accordance with Canadian generally accepted accounting principles. However, accruals and adjustments not material to the Public Accounts but material to the Public Guardian and Trustee have been included in these statements.

(b) The financial statements for both the Estates and Trusts Administered by the Public Guardian and Trustee and the Operating Account are prepared in accordance with Canadian generally accepted accounting principles. Separate accounting systems and processes are utilized by each of these reporting entities. Although each reporting entity has similar reporting standards, amounts paid or payable between the entities vary due to timing and collectibility differences.

ESTATES AND TRUSTS ADMINISTERED

Public Guardian and Trustee of British Columbia
700 - 808 West Hastings Street, Vancouver, BC Canada V6C 3L3 • Phone: (604) 660-4444 • Fax: (604) 660-0374
www.trustee.bc.ca

FINANCIAL STATEMENTS

March 31, 2007

Management's Statement of Responsibilities for the Financial Statements of the Public Guardian and Trustee of British Columbia

The accompanying financial statements of the Estates and Trusts Administered by the Public Guardian and Trustee are the responsibility of management. These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects. When alternative accounting policies exist, management has chosen those it deems most appropriate in the circumstances.

Systems of internal accounting and administrative controls are maintained to provide reasonable assurance that the financial statements are reliable and accurate and that clients' assets are appropriately accounted for and adequately safeguarded.

The Auditor General of British Columbia provides an independent opinion on the financial statements prepared by the Public Guardian and Trustee of British Columbia. The duties of the Auditor General in that respect are contained in Section 26 of the *Public Guardian and Trustee Act*.

Jay Chalke, Q.C.
Public Guardian and Trustee

July 6, 2007

Report of the Auditor General of British Columbia

To the Public Guardian and Trustee of British Columbia,

To the Attorney General, Province of British Columbia, and

To the Members of the Legislative Assembly of British Columbia:

I have audited the balance sheet for Estates and Trusts Administered by the *Public Guardian and Trustee of British Columbia* as at March 31, 2007 and the statement of changes to client assets for the year then ended. These financial statements are the responsibility of the Public Guardian and Trustee's management. My responsibility is to express an opinion on these financial statements based on our audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position for Estates and Trusts Administered by the *Public Guardian and Trustee of British Columbia* as at March 31, 2007 and the changes to client assets for the year then ended in accordance with Canadian generally accepted accounting principles.

Victoria, British Columbia
July 6, 2007

Errol S. Price, CA
Acting Auditor General

Public Guardian and Trustee of British Columbia
Estates and Trusts Administered
Balance Sheet
As at March 31, 2007
($ in thousands)

	2007	2006
Assets		
Premium money market fund (note 3)	$411,294	$379,978
Balanced income fund (note 4)	24,320	22,034
Balanced growth fund (note 5)	62,268	53,282
Other investments and securities (note 6)	93,611	82,359
Other financial assets (note 7)	5,612	5,952
Real property (note 8)	113,671	99,504
Other assets (note 2 (b))	1	1
	$710,777	$643,110
Liabilities		
Accounts payable	$4,334	$3,498
Mortgages and loans payable (note 2 (c))	9,345	5,544
Payable to the Public Guardian and Trustee Operating Account (note 13)	436	497
	14,115	9,539
Net Assets Held in Trust	696,662	633,571
	$710,777	$643,110

The accompanying notes are an integral part of these financial statements.

Jay Chalke, Q.C.
Public Guardian and Trustee
July 6, 2007

Public Guardian and Trustee of British Columbia
Estates and Trusts Administered
Statement of Changes to Assets
For the Year Ended March 31, 2007
($ in thousands)

	2007							2006
	Premium money market fund	Balanced income fund	Balanced growth fund	Other investments and securities	Other financial assets	Real property	Totals	Totals (note 14)
Opening Balances, at Fair Value	$379,978	$22,034	$53,282	$82,359	$5,952	$99,504	$643,109	$594,996
Sources of Assets								
Pensions, benefits and settlements	73,213	-	-	-	-	-	73,213	72,948
Assets acquired upon appointment	-	-	-	37,540	29,497	47,055	114,092	84,269
Interest and dividend income	17,504	809	1,695	2,348	-	-	22,356	18,376
Net realized gain on assets sold or released (note 2(f))	-	2,212	6,879	3,424	-	14,594	27,109	15,457
	90,717	3,021	8,574	43,312	29,497	61,649	236,770	191,050
Disposition of Assets								
Cash distributions to clients and beneficiaries	(74,081)	-	-	-	-	-	(74,081)	(67,556)
Assets released to clients, beneficiaries and heirs	-	-	-	(6,844)	(1,040)	(12,979)	(20,863)	(20,403)
Payments for client care and maintenance (note 9)	(41,769)	-	-	-	-	-	(41,769)	(39,665)
Commissions and fees paid to the Public Guardian and Trustee Operating Account (note 10)	(13,621)	(232)	(573)	-	-	-	(14,426)	(13,991)
Professional services (note 11)	(6,585)	(43)	(85)	(238)	-	-	(6,951)	(7,039)
Assets purchased for clients	(1,056)	-	-	-	-	340	(716)	(805)
Taxes paid on behalf of clients	(4,645)	-	-	(7)	-	-	(4,652)	(3,981)
Unclaimed assets transferred to the British Columbia Unclaimed Property Society (note 12)	(1,572)	-	-	-	-	-	(1,572)	(2,069)
	(143,329)	(275)	(658)	(7,089)	(1,040)	(12,639)	(165,030)	(155,509)
Transfers and Reinvestment of Assets								
Transfers between investment funds	(862)	541	3,680	(3,359)	-	-	-	-
Net proceeds from sale or collection of assets	85,578	-	-	-	-	-	85,578	71,268
Assets sold or collected	-	-	-	(22,815)	(28,797)	(35,714)	(87,326)	(76,819)
	84,716	541	3,680	(26,174)	(28,797)	(35,714)	(1,748)	(5,551)
Increase (decrease) in unrealized gain (note 2(f))	(788)	(1,001)	(2,610)	1,203	-	871	(2,325)	18,123
Closing Balances, at Fair Value	$411,294	$24,320	$62,268	$93,611	$5,612	$113,671	710,776	643,109
Add: Other Assets							1	1
Total Assets Held in Trust							$710,777	$643,110

The accompanying notes are an integral part of these financial statements.

1. Reporting Entity

The Public Guardian and Trustee operates under the *Public Guardian and Trustee Act* and other provincial statutes to uphold the legal rights and safeguard the financial interests of adults who are not capable of managing their own affairs, deceased persons' estates which have no other person willing and able to act for them, estates of missing persons and children in receipt of settlement funds, insurance policy proceeds or money from estates.

These statements reflect the financial position and activity for the estates and trusts administered by the Public Guardian and Trustee. Separate financial statements have been prepared for the Public Guardian and Trustee Operating Account which report the revenues, expenses and capital expenditures of the Public Guardian and Trustee.

2. Significant Accounting Policies

(a) Basis of Accounting

Management has prepared these financial statements in accordance with Canadian generally accepted accounting principles.

(b) Valuation of Assets

Assets, excluding other financial assets and other assets, are valued at fair value at year end.

Fair value is defined as "the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act".

The fair value for premium money market fund, balanced income fund, balanced growth fund and other investments and securities is determined from valuation data provided by investment service providers.

The fair value for real property is based on professional appraisals. Where an appraisal is not available or is not current, it may be determined from the most recent British Columbia Assessment Authority property assessment, or other relevant valuation data.

The value for other financial assets is determined using the fair value at the date of appointment, adjusted for subsequent transactions, because there is no practical and cost effective way to update to fair value at year end.

Other assets are valued at a nominal value of $1 because the fair value for these assets is not readily determinable. Other assets include jewelry, collectibles, vehicles and effects.

(c) Valuation of Mortgages and Loans Payable

Mortgages and Loans Payable are valued at book value due to an immaterial difference between book value and fair value.

(d) Other Financial Instruments

The fair values of other financial instruments, which include cash, accounts payable and amounts payable to the Public Guardian and Trustee Operating Account, approximate their carrying values due to their short-term nature.

Investments are exposed to credit risk and price risk. Price risk is comprised of currency risk, interest rate risk, and market risk.

Credit Risk

Credit risk relates to the possibility that a loss may occur from the failure of another party to the terms of a contract. The investment policy established by the Public Guardian and Trustee limits credit risk by limiting the maximum exposure to one single issuer and by investing only in securities from companies with a minimum rating of at least BBB as defined by Moody's, Standard & Poors or Dominion Bond Rating Service.

Currency Risk

Currency risk relates to the possibility that the investments issued by companies will change in value due to future fluctuations in foreign exchange rates. The total amount of investments exposed to currency risk is relatively insignificant, amounting to $32.8 million (investment in U.S. equity funds and international equity funds).

Interest Rate Risk

Interest rate risk relates to the possibility that fixed income investments will change in value due to future fluctuations in market interest rates.

Market Risk

Market risk relates to the possibility that the equity investments will change in value due to future fluctuations in market prices.

(e) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. Actual value ultimately realized may differ from these estimates.

(f) Gains and Losses on Assets

Gains and losses on assets represent the appreciation or depreciation in the value of assets administered by the PGT from the value assigned on the date of appointment (if acquired on appointment) or date of purchase (if purchased for clients after appointment). Such gains and losses become realized on the date the assets are sold or released.

(g) Management of Funds and Investments

As a fiduciary, the Public Guardian and Trustee is responsible for managing the assets owned by each estate and trust under his authority. The Public Guardian and Trustee must exercise the care, skill, diligence and judgement of a prudent investor for his clients.

Under Section 12 of the *Public Guardian and Trustee Act*, the Public Guardian and Trustee is permitted to create common funds within the trust fund account. The Public Guardian and Trustee has established three common funds called the premium money market fund, the balanced income fund and the balanced growth fund. The premium money market fund holds short and medium term fixed income investments and is used for day to day receipts and disbursements of all clients. The balanced income fund and the balanced growth fund hold investments which are appropriate for clients with longer term investment horizons.

Under Section 13 (1) of the *Public Guardian and Trustee Act*, the Public Guardian and Trustee is permitted to make separate investments for clients if the money is subject to an express trust or direction for investment or it is, for any other reason, in the best interests of the client to do so. Other investments and securities include separate investment portfolios and registered plans which are established or maintained for clients according to their investment profile.

The three common funds are managed by BC Investment Management Corporation, an independently managed Crown corporation. Other investments are managed by private investment management firms.

(h) Future Accounting Change

Handbook Section 3855, Financial Instruments – Recognition and Measurement (Section 3855) is a new accounting policy issued by the Canadian Institute of Chartered Accountants in 2005 and becomes effective for the Public Guardian and Trustee on April 1, 2007.

Section 3855 establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. It requires that financial assets and financial liabilities including derivatives be recognized on the balance sheet when we become a party to the contractual provisions of the financial instrument or a non-financial derivative contract. All financial instruments should be measured at fair value on initial recognition except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other liabilities.

Section 3855 permits an entity to designate any financial instrument as held-for-trading on initial recognition or adoption of the standard, even if that instrument would not otherwise satisfy the definition of held-for-trading set out in Section 3855. Instruments that are classified as held-for-trading by way of this "fair value option" must have fair values that are reliably measurable.

The Public Guardian and Trustee has designated the premium money market fund, balanced income fund, balanced growth fund and other investments and securities as held-for-trading, effective April 1, 2007; therefore, these financial instruments will continue to be carried at fair value. Other financial instruments, which include cash, other financial assets, accounts payable, mortgages and loans payable, and amounts payable to the Public Guardian and Trustee Operating Account, will continue to be carried at cost in accordance with the default accounting model under Section 3855.

3. Premium Money Market Fund

	2007	2006
Cash and short term investments	$267,799	$248,702
Bond investments		
- less than one year	-	13,398
- one to three years	97,336	55,815
- over 3 years	46,159	62,063
	$411,294	$379,978

Earnings on the premium money market fund are paid as interest each month to client trust fund accounts based on their closing daily balances. The annual effective yield for the year ended March 31, 2007 was 4.6% (2006: 3.8%).

4. Balanced Income Fund

	2007	2006
Cash, short term investments, receivables and payables	$(391)	$(809)
Canadian bonds	1,032	1,824
Pooled funds	23,679	21,019
	$24,320	$22,034

The balanced income fund is a unitized pool of investments; units in this fund are valued monthly. The rate of return for the year ended March 31, 2007 was 9.0% (2006: 11.5%).

5. Balanced Growth Fund

	2007	2006
Cash, short term investments, receivables and payables	$(797)	$(746)
Pooled funds	63,065	54,028
	$62,268	$53,282

The balanced growth fund is a unitized pool of investments; units in this fund are valued monthly. The rate of return for the year ended March 31, 2007 was 11.0% (2006: 14.6%).

6. Other Investments and Securities

	2007	2006
Investment portfolios	$60,691	$53,988
Registered plans	12,341	10,688
Other investments and securities	20,579	17,683
	$93,611	$82,359

Due to these numerous and individual client investments, it is impractical to reflect the aggregate rate of return on these investments.

7. Other Financial Assets

Other financial assets include funds in numerous and varied external accounts and amounts receivable.

8. Real Property

Real property includes land, buildings and manufactured homes. Approximately 5% (2006: 7%) of properties are located outside of British Columbia and in foreign countries.

9. Payments for Client Care and Maintenance

Client care and maintenance costs represent goods and services purchased for clients and for personal living expenses, including payments to care facilities.

10. Commissions and Fees Paid to the Public Guardian and Trustee Operating Account

Commissions and fees are paid by clients for services provided by the Public Guardian and Trustee in accordance with the *Public Guardian and Trustee Fees Regulation* as provided for under the *Public Guardian and Trustee Act.*

11. Professional Services

Professional services are payments by clients for services such as accounting, legal, investment management, custodial, funeral and property management.

12. Unclaimed Assets Transferred to the British Columbia Unclaimed Property Society

Unclaimed assets are transferred quarterly to the British Columbia Unclaimed Property Society when they are deened inactive by the Public Guardian and Trustee under Section 27.1 of the *Public Guardian and Trustee Act.*

13. Comparability with the Public Guardian and Trustee Operating Account

The financial statements for both the Estates and Trusts Administered by the Public Guardian and Trustee and thePublic Guardian and Trustee Operating Account are prepared in accordance with Canadian generally accepted accounting principles. Separate accounting systems and processes are utilized by each of these reporting entities. Although each reporting entity has similar reporting standards, amounts paid or payable between the entities vary due to timing and collectibility differences.

14. Comparative Figures

Certain comparative figures have been reclassified to conform to the presentation used in the current year.

NURANI RAHEMTULLA
1947 - 2006

Nurani Rahemtulla was born in Dar-Es-Salaam, Tanzania, and that is where her lifelong commitment to the public service began, which included working for the United Nations High Commission for Refugees.

Nurani was excited to move to Canada with her family in 1997. The move was motivated in part by the need for her daughter Zahra to have heart surgery. In February 1998, Nurani was diagnosed with breast cancer and began a long and courageous battle against the illness. Nurani was passionate about public service and did not allow her chemotherapy treatments to prevent her from contributing to the community both professionally and as a volunteer.

Nurani joined the Public Guardian and Trustee in 2002, working first in our Corporate Accounts department, then in Client Financial Services and finally in our Estate Liaison department. Her co-workers remember her as a caring and supportive colleague who was dedicated to her job and her faith, and who had nothing but kind words and warm thoughts for others.

Nurani was also a devoted volunteer for the Aga Khan Foundation, an international development agency committed to developing and promoting creative solutions to problems that impede social development primarily in East Africa and Asia. She became an Aga Khan volunteer at the age of thirteen and had risen to the rank of "Major" within the organization.

Nurani passed away on December 6, 2006, leaving behind her husband, Diamond and son, Qaheer. Her daughter, Zahra, predeceased her in 1997.

Nurani was a beloved employee of the Public Guardian and Trustee. Her positive attitude and strong work ethic shone from her first days with us until her final ones. She will be missed very much.

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